



## **USAID Development Information Services**

### **Institutional and Organizational Development R4 Data Analysis for Annual Performance Report FY2000**

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Elayne Gallagher

*April 2002*

Document Number: PN-ACP-961



USAID DIS is funded by the Bureau for Policy & Program Coordination's Center for Development Information and Evaluation. The Academy for Educational Development operates USAID DIS with subcontracts to DevTech Systems, Inc. and the LTS Corporation. Editorial and production assistance was provided by IBI—International Business Initiatives.



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Editorial and production assistance for this paper was provided by IBI–International Business Initiatives.

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# Abbreviations & Acronyms

CSO	civil society organization
FY	fiscal year
ID/OD	institutional and organizational development
NGO	non-governmental organization
QUIPS	Quality Improvements in Primary Schools (Ghana)
PPC	Program and Policy Coordination
PVO	private voluntary organization
R4	Results Report and Resource Request
UNDP	United Nations Development Program





# Executive Summary

The 2000 revision of USAID's Strategic Plan includes the Agency's six strategic goals, management goal, and five cross-cutting themes. Each year, USAID selects one theme for in-depth analysis and reporting in its annual Performance Overview, as mandated by the Strategic Plan. Institutional and organizational development (ID/OD) is the theme of focus in the 2001 Performance Overview.

This report analyzes the ID/OD FY 2000 data submitted by Operating Units worldwide. Its analysis covers 63 countries and central programs that submitted the FY 2003 Results Report and Resource Requests (R4) report and an institutional development annex. Also reviewed in preparing this report were FY 2003 R4 narrative reports of selected countries with several ID/OD Intermediate Results. The FY 2003 R4 reported on results achieved in FY 2000 and requested resources for FY 2003.

As used in this report, *institutions* are the rules of the game and the measures for enforcing those rules. Institutions also refer to the norms and values manifest in transparency and accountability. The rules and norms may be political, economic, or social. *Institutional development* refers to strengthening the broad political and economic context within which development processes occur. These include policies, laws, regulations, and judicial practices.

*Organizations*, for the purposes of this report, are "groups of individuals bound by some common purpose to achieve objectives." For example, individual courts are organizations, whereas the Judiciary is an institution. *Organizational development* refers to strengthening a body of people who work together. It focuses on strengthening an organization's ability to provide quality and effective goods and services and its capacity to be programmatically and organizationally sustainable.

ID/OD interventions are designed to help build or strengthen a host country's capacity to successfully implement and sustain targeted development assistance, such as education initiatives or health programs. In the body of this report, references to the terms *capacity*

USAID . . . providing economic and humanitarian assistance worldwide for more than 40 years.

*building* or *capacity strengthening* fall under what is referred to in this report as ID/OD interventions.

In preparing this report, researchers categorized, coded, and entered ID/OD initiatives into a Microsoft Excel spreadsheet. Analysis of these data revealed that ID/OD interventions in FY 2000 largely focused on:

- ❑ Governance—42 percent (15 percent focused on sectoral policy reform and 27 percent on other governance areas, such as constituency building, national leadership, and decentralization);
- ❑ Private-sector-led growth—25 percent (19 percent private-sector policy, and 6 percent other private-sector interventions, including income-generating activities, access to markets, and micro-, small- and medium-enterprise growth);
- ❑ Service-delivery capacities—14 percent; and
- ❑ Management capacities—7 percent.

The above percentages total 88 percent; the remaining 12 percent comprise ID/OD interventions in miscellaneous categories, including direct financial support for projects. Two additional observations on the above data deserve mention. First, policy-reform activities were identified under governance and private-sector interventions because both sectoral and pro-poor macro-economic policies are key to creating an environment that supports sustainable democratic governance and growth led by the private sector. Second, although only 6 percent of all ID/OD interventions, income-generating activities in the private sector are notable because they significantly increased employment opportunities.

## **Hypotheses about ID/OD Support**

The analysis serving as the basis for this report examined the following hypotheses, based on the FY 2000 data submitted by Operating Units worldwide:

- ❑ *Hypothesis One*—ID/OD support is systematically programmed in the Results Framework for most Agency Operating Units;
- ❑ *Hypothesis Two*—ID/OD support systematically cross-cuts the Agency's strategic goals in Operating Units' programs; and
- ❑ *Hypothesis Three*—ID/OD support is provided to the public sector, private for-profit sector, and non-profit sector, consistent with program objectives.

The findings of the analysis support all three hypotheses, as summarized.

## Hypothesis One

ID/OD support is systematically programmed in the Results Framework of most of USAID's Operating Units in countries across the Agency's four geographic regions (sub-Saharan Africa, Asia and the Near East, Europe and Eurasia, and Latin America and the Caribbean). The data indicate that several countries have a high number of ID/OD Intermediate Results under the majority of their strategic objectives. For example, seven countries in the Latin America and Caribbean Region and five countries in the sub-Saharan Africa Region have numerous capacity-building Intermediate Results under all of their strategic objectives. All Operating Units have at least one ID/OD intermediate result under the strategic objectives in their Results Frameworks.

## Hypothesis Two

ID/OD support cuts across all strategic goals in countries in the Agency's four geographic regions. The distribution of ID/OD support among the Agency's six goals is as follows:

- ❑ Strategic Goal 1: Economic Growth—26 percent;
- ❑ Strategic Goal 2: Democracy and Governance—25 percent;
- ❑ Strategic Goal 3: Human Capacity Development—7 percent;
- ❑ Strategic Goal 4: Population and Health—17 percent;
- ❑ Strategic Goal 5: Environment—15 percent;
- ❑ Strategic Goal 6: Humanitarian Assistance—4 percent; and
- ❑ Multiple Goals: 6 percent.

ID/OD interventions in support of the six strategic goals are discussed below.

### *Economic Growth*

ID/OD interventions for economic growth include supporting private-sector policy environment and reform activities, strengthening financial institutions to enhance their capacity to lend to rural enterprises, enhancing private-sector management capacities, providing capital to financial intermediaries, and strengthening regulatory institutions.

### *Democracy and Governance*

In supporting this goal, ID/OD interventions include enacting policy and structural reform, including drafts of laws and regulations; supporting voter and election processes; and strengthening the capacities of constituencies, non-governmental organizations (NGOs), and civil society organizations (CSOs).

### *Human Capacity Development*

Although many education and training interventions are linked to relevant sector goals, ID/OD interventions are also directly linked to the Agency's human capacity development goal. Activities include supporting production of educational materials; training government officials in information technology; offering study tours to high-level private-sector managers, and providing opportunities to pursue a master's degree in business administration.

### *Population and Health*

Programs in the health sector continue to make up a large share of USAID assistance. In many countries, the Agency is a lead donor in health reform, focusing on integration of reproductive health services into primary care. In supporting the population and health goal, ID/OD interventions include training front-line health workers, who in turn train many peers, financially supporting reproductive health and other preventive health care resources, training local governments in health planning, and strengthening basic health services.

### *Environment*

ID/OD interventions in support of the environment goal are found in 36 strategic objectives with ID/OD Intermediate Results worldwide; this figure comprises 15 percent of all strategic objectives with Intermediate Results. Most of these interventions, however, were undertaken in the Latin America and Caribbean Region and include supporting private reserves, protecting important ecozones, transferring management of classified forests to local communities, and strengthening capacities of park management.

### *Humanitarian Assistance*

ID/OD interventions in supporting this goal often fall under Agency efforts in other goal areas. In Belarus, for example, institutional

development is incorporated in USAID's support for the National Emergency Services Training Center's provision of health services.

### Hypothesis Three

All three sectors are involved in ID/OD interventions, as follows: 41 percent, public sector; 29 percent, private for-profit sector; and 30 percent, private non-profit sector. Activities in support of the economic growth and the democracy and governance goals capture the majority of ID/OD involvement of all three sectors. Twenty of the total ID/OD Intermediate Results in the Agency's four geographic regions simultaneously involved all three sectors in ID/OD interventions.

### Strengths and Weaknesses of ID/OD Interventions

The strength of USAID's ID/OD interventions worldwide are reflected in the following practices:

- ❑ Linking grassroots interventions with macro-level policy or institutional changes. USAID has been particularly successful in linking its micro-enterprise interventions with policy and structural reform.
- ❑ Mobilizing and supported civil societies, including NGOs, catalyzing broad citizen participation in ID/OD interventions. In many cases, the impact of interventions was multiplied by training a representative group that in turn trained large numbers of citizens.
- ❑ Strengthening the capacity of local NGOs and civil societies to plan and manage educational, health, and conservation activities.
- ❑ Supporting strategic partnerships, resulting in advocacy for needed change, leveraging funds, and regional cooperation.

Despite clear evidence of the positive impact of ID/OD interventions, increased ID/OD support is needed in other critical areas. For example, although successful examples exist of micro-level activities contributing to sustainable upstream activities, these interventions often appear to be discrete activities that are not connected to sustainable policy-level support. In some cases, Operating Units report interventions in areas where extreme structural or foundation weaknesses are evident, resulting in limited implementation and sustainable capacities.

Another area of strength has been the development of strategic partnerships across sectors, with simultaneous participation of public, private for-profit, and private non-profit sectors. And, yet, involvement of all three sectors in interventions is evident in only 20 percent of ID/OD Intermediate Results.

Further, even though USAID support is distributed among the three sectors, the data indicate that only 29 percent involve the private for-profit sector, compared with 41 percent of ID/OD Intermediate Results involving the public sector. Given the urgent need to mobilize private-sector growth, this disparity in support is noteworthy. Although the private sector is nascent in many countries, particularly those in sub-Saharan Africa, the largest involvement of the private sector is found in this region.

## Conclusions and Recommendations

The analysis that resulted in this report found positive evidence to support the three hypotheses set forth. ID/OD interventions are systematically incorporated into most development assistance programs, cross-cut the Agency's strategic goals, and are distributed among all sectors of the economy. Despite the significance of the strengths noted in the preceding discussion, even greater use of ID/OD processes and strategies could contribute further to the sustainability of development assistance through enhancing national ownership and on-the-ground capacities to sustain the work initiated through USAID assistance.

Although all three economic sectors are significantly involved in interventions, a more balanced approach should be explored. The disparity in public sector and private for-profit sector involvement in interventions is of concern, given the urgent need to mobilize private-sector growth. Additionally, simultaneous involvement of all three sectors in ID/OD interventions is evident in only 20 percent of ID/OD Intermediate Results. While the involvement of all three sectors may not be relevant in some activities, opportunities to support tri-sector coalitions in interventions could be explored for cross-sectoral cooperation, national ownership, and sustainability.

In summary, USAID's comparative advantage appears to be in linking micro-level activities to macro-level policy interventions, developing the capacities of civil society organizations and NGOs to multiply the impact of the Agency's development assistance, and facilitating strategic partnerships to support and augment the foundation of its ID/OD interventions.



# Introduction

USAID's 2000 revision of its Strategic Plan includes five cross-cutting themes, in addition to the Agency's strategic goals and management goal. Each year, USAID selects one theme for in-depth analysis and reporting in its annual Performance Overview, as mandated by the Strategic Plan. Institutional and organizational development (ID/OD) has been selected as the theme of focus in the 2001 Performance Overview. This report was prepared as the basis for the cross-cutting theme chapter in that overview.

ID/OD has often been regarded in the development literature as a key factor for change. Because institutions and organizations provide the economic structure for change, the kinds of skills and knowledge fostered by the structure of an economy will shape the direction of change and gradually alter the institutional framework (North 1990). North's definition uses institutional and organizational development interchangeably—in his article, institutional development is all encompassing.

## 1.1 Organization of this Report

The present section of this report includes definitions of key terms, the scope of the analysis, including the three hypotheses to be addressed in this report, and the methodology used in gathering and analyzing data. A narrative discussion of the descriptive statistics is found in Section 2. Section 3 examines the data gathered for this report to determine support for the three hypotheses. The distribution of the majority of ID/OD interventions among USAID's strategic goals is the focus of Section 4. To gain a geographic perspective on these interventions, this section also examines capacity building in support of these goals by region. Section 5 addresses strengths and weaknesses of the Agency's ID/OD program. Conclusions and recommendations for strategies to improve ID/OD interventions are found in Section 6.



## 1.2 Institutional and Organizational Development Defined

A clear discussion of ID/OD first requires an understanding of key terms. Zucker suggests that the only commonly accepted definition of the term *institution* “is that of some sort of establishment of relative permanence of a distinctly social sort” (1991). Elaborating on this definition, Scott posits that institutions can also be values, norms, and work processes, with institutions incorporating not only “the goals and objectives (e.g., winning the game) but also...the appropriate ways to pursue them (e.g., conceptions of fair business practices” (1995).

*Organizations*, on the other hand, “are groups of individuals bound by some common purpose to achieve objectives” (North 1990). Scott observes, “Organizations operate within the rules, values, and norms that the institutional framework establishes, and are characterized by predictable performance and accountability” (1995).

The term *institutional development*, previously referred to as institution building, has been defined in various ways. Israel defines institutional development as “the extent to which a project improves the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources through better coordination of institutional arrangements” (1987). Often, institutional development is used interchangeably with organizational development. For example, Renzi refers to institutional development as “priority areas within an organization for improvement” (1996).

Yet another article states that “organization building and institution building are often used interchangeably because their boundaries blur” (International Institute for Environment and Development 1996). The article goes on to define the terms *institution building* and *organization building* as follows:

Institution building involves broader capacity activities that attempt to address how organizations function within society, how they identify and solve problems, how they encourage changes in patterns of behavior and values in society, and how they build support for their priorities and concerns, in other words, promoting social change.

Organization building (in its strictest sense) refers to technical cooperation activities which address questions of capacity in single organizations or clusters of organizations,



through improved human skills and changing their management structures and systems.

This same article notes that “institution building eventually took over from organization building as the dominant term, and capacity building is now starting to take over as the umbrella which describes them both” (International Institute for Environment and Development 1996). The article further states that the term *institutional development* replaced *institutional building*, as the latter was considered condescending. Specifically, the article states that “‘Building’ implied there is nothing there in the first place, and by failing to acknowledge existing systems, infrastructure, and ways of doing business was seen as insulting and arrogant... ‘development’ implies improving existing structures.”

Bass broadens the discussion by defining participatory institutional development as the process that “strengthens localised social capital accumulation processes by mobilising self-help capacities, progressive skills development, and local resource mobilisation (savings, indigenous knowledge) in order to improve ultimately the group members’ human, natural, and economic resource base and their political power” (1997). On the other hand, the core of organization development, according to Argyris, “is the concern for the vitalizing, energizing, actualizing, activating, and renewing of organizations through technical and human resources” (1971, ix).

Based on the previous definitions, the terms *institutions*, *institutional development*, *organizations*, and *organizational development* are defined for use in this report as follows:

- ❑ *Institutions* are the “rules of the game and the measures for enforcing those rules.” Institutions also refer to the norms and values manifest in less tangible practices like corruption, presence or lack of transparency, and accountability. The rules and norms may be political, economic, or social. *Institutional development* refers to strengthening the broad political and economic context within which development processes occur. These include policies, laws, regulations, and judicial practices.
- ❑ *Organizations* are “groups of individuals bound by some common purpose to achieve objectives.” For example, individual courts are organizations, whereas the Judiciary is an institution. *Organizational development* refers to strengthening a body of people who work together. It focuses on strengthening an

Increasing the capacity for institutional and organizational effectiveness promotes sustainability in all strategic goal areas.

USAID 2000 Strategic Plan

organization's ability to provide quality and effective goods and services and its capacity to be programmatically and organizationally sustainable (USAID 1999).

USAID uses various methods to build ID/OD capacity. Those most frequently used are short- or long-term technical assistance for advisory services and transfer of technical skills, training, and educational development. Other techniques include providing direct financial support for policy reform; commodities and technological resources; mentoring relationships; opportunities to study in-country or in the United States or other countries; and internships or apprenticeships with other organizations (USAID 1999).

### 1.3 Scope of the Analysis

The scope of the analysis covers 63 country and central program units that submitted the FY 2003 Results Report and Resource Requests (R4) report and an ID/OD annex. Reports and annexes were received from 18 sub-Saharan countries; 12 Asia and Near East countries; 12 Eastern European countries; 14 Latin American and Caribbean countries; and units covering the Global Center for Population, Health, and Nutrition, the Caribbean Regional, Central American, and the West Africa Regional Programs. Also reviewed were FY 2003 R4 reports for selected countries with several ID/OD Intermediate Results under their strategic objectives. The analysis examined the following hypotheses, based on the data submitted by these Operating Units:

- ❑ *Hypothesis One*—ID/OD support is systematically programmed in Results Frameworks for the majority of USAID's Operating Units;
- ❑ *Hypothesis Two*—ID/OD support systematically cross-cuts the Agency's strategic goals in Operating Unit programs; and
- ❑ *Hypothesis Three*—ID/OD support is provided to the public sector, private for-profit sector, and non-profit sector, consistent with program objectives.

### 1.4 Methodology

The methodology for the analysis is described more fully in Annex 1; however, it is important to briefly describe the source of the data. As noted above, the data for this study are derived from the FY 2003 R4s, which include the Results Frameworks for FY 2000, and an Ex-

cel annex that breaks the data out by Operating Units' strategic objectives and the Intermediate Results related to ID/OD for FY 2000 (the Excel data is available at <http://cdie.usaid.gov/INSTORGDEV>).

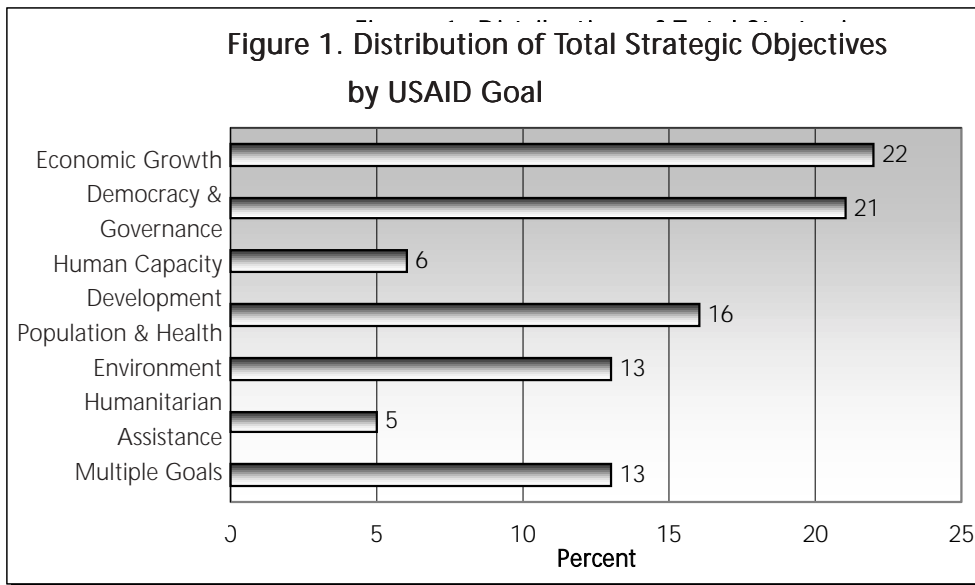
Although the analysis that resulted in the present report is limited to a one-year timeframe, it captures a global and regional snapshot of ID/OD interventions under the Intermediate Results. The study is also limited in that the data used for the analysis do not provide information on the level of activity or dollar investment under specific goals. For example, fewer ID/OD Intermediate Results may appear under health than under governance, but the health interventions may have a higher dollar investment value, cover a broader area of the country, and affect a significantly higher percentage of the target population.



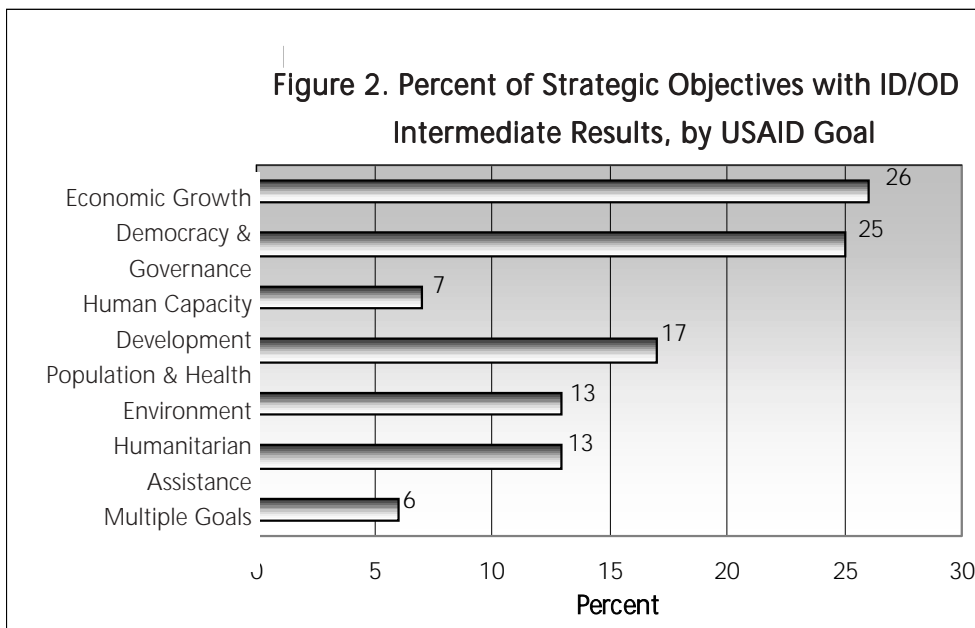
# 2.

## Descriptive Statistics

FY 2000 data submitted by Operating Units worldwide contain 454 strategic objectives. Figure 1 displays the distribution of these objectives among USAID strategic goals.



Of the 454 strategic objectives under Operating Units worldwide, 236 objectives (61 percent) have at least one ID/OD intermediate result. Figure 2 breaks these strategic objectives down by USAID strategic goals.



*These figures demonstrate that the distribution of strategic objectives with ID/OD Intermediate Results closely matches the distribution of total strategic objectives among Agency goals, however, does not reflect USAID's investment levels in activities under the goals.*

**Table 1. Distribution of Operating Units' Strategic Objectives  
with ID/OD Intermediate Results**

Goal Area	AFR	ANE	EE	LAC	Global	BHR	Totals	Percent
Economic Growth	18	14	16	12	0	0	60	26
Democracy & Governance	15	7	18	18	0	0	58	25
Human Capacity Development	6	3	0	4	4	0	17	7
Population & Health	14	6	2	13	5	0	40	17
Environment	7	6	5	14	4	0	36	15
Humanitarian Assistance	4	0	3	1	0	1	9	4
Multiple Goals	11	2	1	0	0	0	14	6
Unknown	0	2	0	0	0	0	2	
Totals	75	40	45	62	13	1	236	100

Exploring the data from yet another perspective, Table 2 presents the ID/OD Intermediate Results by geographic region and by central office—Global Office of the Environment (G/ENV), Global Center for Population, Health, and Nutrition (G/PHN), and Global Bureau's Center for Human Capacity Development (G/HCD). All of the countries reviewed in the study had at least one ID/OD intermediate result under their strategic objectives. Table 2 shows, for example,

**Table 2. ID/OD Intermediate Results,  
by Geographic Region and Global Office**

Goal Area	AFR	ANE	EE	LAC	G/ENV	G/PHN	G/HCD	Totals	Percent
Economic Growth	82	43	56	18	0	0	0	199	31
Democracy & Governance	62	26	62	53	0	0	0	203	31
Human Capacity Development	14	3	0	5	0	0	13	35	5
Population & Health	45	9	8	31	0	10	0	103	16
Environment	16	8	10	39	19	0	0	92	14
Humanitarian Assistance	5	0	0	1	0	0	0	6	0.9
Multiple Goals	0	5	6	0	0	0	0	11	0.2
Totals	224	94	142	147	19	10	13	649	100

that the Latin America and Caribbean Region has 147 ID/OD interventions (across 62 strategic objectives, as noted in Table 1). Of note, seven out of nine countries reviewed in this region had ID/OD Intermediate Results under all of their strategic objectives.

Table 3 displays the number and percentages of strategic objectives with ID/OD Intermediate Results by USAID geographic and central bureaus (i.e., Global Bureau [G] and the Bureau for Humanitarian Response [BHR]).

<b>Region</b>	<b>ID/OD IRs</b>	<b>Agency Objectives</b>	<b>Percent</b>	<b>Operating Units with ID/OD</b>	<b>Agency Operating Units</b>	<b>Percent</b>
AFR	75	132	57	20	32	62
ANE	40	77	52	12	14	86
EE	45	106	42	10	19	53
LAC	62	105	59	16	19	84
Global	13	26	50	3	6	50
BHR	1	8	12	1	6	17
Totals	236	454	52	62	96	65







## ID/OD Support Worldwide

This section evaluates the data submitted by Operating Units from all four regions to determine if support exists for the three hypotheses posited in Section 2. If all hypotheses are supported, we will see that ID/OD interventions are systematically incorporated into most development assistance programs, cross-cut USAID's strategic goals, and are distributed among all sectors of the economy.

### 3.1 ID/OD Support Systematically Programmed in Results Frameworks

The discussion that follows examines data relevant to this study's first hypothesis, which is:

*ID/OD support is systematically programmed in Results Frameworks for the majority of the Agency's Operating Units*

Consensus is growing among the donor community that capacity building—ID/OD support—is critical to the sustainability of development assistance. As indicated in a United Nations Development Program (UNDP) report, “achieving ownership and building capacity go hand-in-hand and should be approached simultaneously as mutually reinforcing processes” (2000, 45). Further testimonial to the importance of ID/OD in ensuring sustainability appears in one Mission's FY 2000 R4, which notes that “institution building is the key to the sustainability of our program interventions and to the provision of economic and social gains for the Salvadoran people” (R4 FY 2000, El Salvador).

The strategic objectives of programs in each region demonstrate that ID/OD support is systematically programmed in the Results Frameworks of Agency Operating Units in most countries. Available data on central programs was extremely limited and not included in the detailed discussion, although it appears in the aggregate statistics in Section 2. The following discussion highlights this point through examples of support in selected countries within each region. References to accomplishments in a specific year are based on FY data for that year.

### 3.1.1 Sub-Saharan Africa

**Table 4. ID/OD Intermediate Results in Results Frameworks of Operating Units in Sub-Saharan Africa**

Operating Units	Strategic Objective	Intermediate Results
Rwanda	3	9
Malawi	4	12
Namibia	4	11
Madagascar	3	6
Tanzania	6	19

Based on the data examined, the Operating Units of Rwanda, Malawi, Namibia, Madagascar, and Tanzania have a high proportion of ID/OD Intermediate Results under their strategic objectives, demonstrating that USAID support is systematically programmed in their Results Frameworks (see Table 4). Further, all Operating Units in the sub-Saharan Africa Region have ID/OD Intermediate Results under some or most of their strategic objectives.

Despite the fragile conditions in sub-Saharan Africa, including alarming increases in HIV/AIDS infection, political instability and conflict, and economic stagnation, USAID, through its ID/OD support, is achieving results under its strategic objectives across all strategic goals in several countries, as the following examples illustrate.

#### *Ghana*

The USAID/Ghana program supports three Agency goals: economic growth, human capacity development, and population and health. USAID/Ghana is continuing the tourism-led economic growth activity by improving Ghana's regulatory environment. The Mission's ID/OD interventions under Strategic Objective 1 (Increased Effectiveness of Primary Education) and Strategic Objective 2 (Increased Private-Sector Growth) demonstrate the effectiveness of the Agency's ID/OD support, as follows:

- ❑ Students participating in the USAID-funded Quality Improvements in Primary Schools (QUIPS) program are scoring significantly higher than non-participants on nationwide criterion tests.
- ❑ Under the Mission's Private-Sector Growth ID/OD Intermediate Results, outstanding progress was achieved in developing the West Africa Gas Pipeline Agreement partnership. This joint effort involves four countries in the region and has significantly enhanced regional cooperation.

#### *Madagascar*

USAID/Madagascar's Strategic Objective 1 (Improved Environment for Private Initiative) demonstrated notable results in its 2000 reporting on its Intermediate Results. Legal, policy, and financial

conditions for trade and investment improved, with the number of firms in the formal sector growing by an estimated 9.5 percent. In addition, the number of people availing themselves of micro-finance services exceeded expectations, indicating that the environment for private initiative continues to improve in Madagascar.

The Mission also successfully strengthened the ability of civil society organizations (CSOs) to interact with local government. This success reinforced its belief that increasing civil participation in Madagascar's economic and political decision making is key to enhancing transparency and accountability. Further, this approach is viewed as a new model of development because of its success in leveraging resources from other donors, private businesses, and foundations. USAID/Madagascar is pioneering a program to link health, population, and environment interventions at the field level through the collaboration of local and U.S. partners.

Under its Strategic Objective 3 (Biologically Diverse Ecosystems Conserved), USAID/Madagascar's assistance in developing management plans resulted in local communities assuming management of nine classified forests, containing 200,000 hectares. Completion of these forest-management plans empowered local communities to undertake sustainable use of forest resources. The number of communities participating in conservation activities increased 71 percent in the Mission intervention zones.

USAID/Madagascar's ID/OD support contributed to upstream benefits through leveraging funds, including \$12 million from the World Bank ( 2 million for contraceptives and \$10 million for new Government HIV/AIDS interventions); a \$1-million, four-year grant from the Gates Foundation to Population Services International to improve adolescents' reproductive health; a \$15-million grant over five years to introduce new vaccines and expand routine coverage from the Global Alliance for Vaccines and Immunization; and the African Development Bank's \$1-million program to rehabilitate the southern railway.

## *Nigeria*

USAID/Nigeria's ID/OD support under its Strategic Objective 1 (Transition to Democratic Civilian Governance Sustained) is recognized as having contributed to the Independent National Election Commission's success in conducting 37 public forums around the country. Roughly 10,000 Nigerians participated in the consultative process for these events, marking one of the first times that input from such a broad base of civil society was sought for draft legislation.

USAID/Nigeria is the lead donor in Nigeria to economic reform and privatization, evidence of its leadership role in the country. The Mission's technical assistance to the Government's Economic Policy Coordinating Committee, the top macro-economic policy body chaired by the Vice President, is consolidating Nigeria's efforts to manage and coordinate economic policy more effectively. This is a major change from past management of economic policy, when line ministries often drafted and promulgated policies without consulting other ministries or the public. USAID/Nigeria's support for privatization resulted in divestment of 14 companies.

### *Republic of South Africa*

USAID/South Africa's programs produced critical results in several areas. For example, its ID/OD assistance under Strategic Objective 6 (Increased Access to Shelter and Environmentally Sound Municipal Services) significantly increased the supply of housing, water, sanitation, and other environmental services for about 600,000 low-income households; leveraged over \$240 million in additional investment in water, energy, and solid-waste management projects; and contributed to improved health service delivery in the Eastern Cape, where over 80 percent of health facilities now provide all basic primary health care services five days a week. Additional achievements are as follows:

- ❑ Under Strategic Objective 2 (Increased Access to Quality Education and Training), the Mission supported the successful development and radio broadcasting of pre-school readiness programs (Takalani Sesame Street), reaching an estimated 1.2 million children in two provinces.
- ❑ Under Strategic Objective 4 (Improved Capacity to Formulate, Evaluate, and Implement Economic Policies), USAID/South Africa supported the Office of the National Director of Public Prosecutions through several key interventions to strengthen criminal justice, reducing caseloads in 2000 from 5,750 to 2,750—a 52-percent reduction.
- ❑ Under Strategic Objective 9 (Increased Market-Driven Employment Opportunities, Intermediate Result 9.1-Increased Commercial Visibility of Existing Small and Medium Agribusinesses, and Intermediate Result 9.2-Increased Commercial Viability of Existing Small and Medium Enterprises), support resulted in 19 joint-venture transactions totaling \$68.9 million. These transactions were brokered over three years to help historically disadvantaged firms purchase public enterprises. About one-third of the joint-venture transactions occurred in 2000 and over 5,000 jobs have been

created since 1998. The Mission's support included facilitating these business transactions and providing business development support to micro-enterprises, increasing the viability of about 6,000 micro-enterprises over the last two years. USAID/South Africa is also continuing its support of 23 village banks in rural areas.

## *Uganda*

For the first time in three years, USAID/Uganda has national data available to demonstrate progress against key indicators at the strategic objective level. Under its Strategic Objective 1 (Increased Rural Household Income; Intermediate Result 1-Increased Use of Financial Services), USAID/Uganda provided training to over 60 (out of about 100) micro-finance institutions over the last several years, contributing to their long-term sustainability. To reach more people and expand financial services, 12 micro-finance institutions were targeted with additional grants to support operating costs, equipment, and loan capital.

Through an innovative equity investment and deposit mobilization strategy with Uganda's Centenary Bank, the number of savers and borrowers increased dramatically, including a 70-percent increase among women. The Mission's micro-finance activities spearheaded a national effort to increase savings and credit services to households and rural micro-enterprises, with more than 84,000 savers and 92,000 borrowers accessing USAID/Uganda's micro-enterprise program, a 42-percent increase over 1998. According to the Uganda National Household Survey, success under this intermediate result is tangible: mean real consumption per capita increased 22 percent between 1997 and 2000, and the number of Ugandans unable to meet their basic requirements declined from 44 percent to 35 percent. Additionally, average rural monthly income increased during this period, yielding a growth rate of over 8 percent when adjusted for inflation.

## *Zambia*

Under Strategic Objective 1 (Increased Incomes of Selected Rural Groups, Intermediate Result 1-Increased Sustainable Agricultural and Natural Resources Production), USAID/Zambia helped target groups increase income to \$7.7 million in 2000, slightly exceeding the targeted 50-percent increase over 1999 income. This is noteworthy because 53,356 farmers are now using new technologies, despite Zambia's low economic growth of 3.5 percent in 2000.

USAID has long recognized the potential for enhancing agribusiness and has been an innovator in this economic sector. Agribusiness development—and the projects that support it—are critical because:

- ◆ Agriculture and agribusiness represent a significant portion of the GDP of most developing countries.
- ◆ Many people in these countries derive their livelihood from agriculture and agribusiness.
- ◆ Agribusiness takes advantage of the linkages between agriculture and higher value activities in manufacturing and services industries.
- ◆ Agribusiness success is closely aligned to food security.

*USAID Economic Growth  
Web Page*



USAID/Zambia produced still other positive impacts in the economic growth sector. For example, activities under Strategic Objective 1 (Increased Rural Incomes of Selected Groups, Intermediate Result 1.1-Increased Agricultural and Natural Resources Production) strengthened support to 1,594 rural non-farm enterprises. As a result, 34 assisted companies increased annual incomes by over \$2.4 million, or 64 percent. Credit Management Services, the largest micro-finance provider in rural Zambia increased its clients from 792 in January 2000 to 3,048 in December 2000. Because rural non-farm enterprises constitute more than 80 percent of Zambia's private sector, their increased contribution to the economy is a prerequisite for sustainable growth led by the private sector.

Also under Strategic Objective 1, Intermediate Result 1.2 (Increased Contribution to Rural Non-Farm Enterprises to Private Sector Growth), USAID/Zambia's success in supporting the privatization and sale of the state-owned copper mines re-energized the economy in the Copperbelt, after years of costly delays in privatization. It is anticipated that privatization and liberalization of the mines, combined with technology and skills transfer, access to credit, and linkages to market will continue to benefit rural enterprises and result in rural economic growth.

USAID-supported HIV/AIDS prevention programs have contributed to a decline in prevalence rates among Zambia's urban youth. Preliminary results from the 2000 Zambia Sexual Behavior Survey suggest that many Zambians are changing their sexual behavior, thereby reducing the risk of HIV transmission. Specifically, the survey reflects that condom use among both sexes with non-regular partners increased significantly between 1998 and 2000, with reported condom use increases from 33 percent to 40 percent for men and from 24 percent to 34 percent for women. Such successes are not occurring in other Southern African countries with high HIV/AIDS prevalence rates.

**Table 5. ID/OD Intermediate Results in Results Frameworks of Operating Units in Asia & the Near East**

Operating Units	Total Strategic Objectives	Total Intermediate Results
Bangladesh	7	14
Morocco	5	8
Mongolia	2	12
Philippines	6	24
West Bank/Gaza	4	23

### 3.1.2 Asia and the Near East

ID/OD Intermediate Results are systematically programmed in the Results Frameworks of countries in the Asia and Near East Region. Based on the data submitted, several countries in this region have a high number of ID/OD Intermediate Results under the strategic objectives in their Results Framework for FY 2000, as reflected in Table 5.

Examples of systematic programming of ID/OD Intermediate Results in the Results Frameworks include, but are not limited to, the following Operating Units.

### *Bangladesh*

Of the seven strategic objectives for Bangladesh, six have ID/OD Intermediate Results. All strategic objectives are linked to one or more of the Agency's six strategic goals. Interventions cut across the following strategic objectives:

- ❑ Supporting the social base of democracy and governance (by strengthening governance through improved representation of women and the rural poor, increased responsiveness of local elected bodies, and increased access to the justice system, especially for women);
- ❑ Strengthening markets, particularly for small business and agribusiness;
- ❑ Creating sustainable use of water, tropical forests, and energy resources;
- ❑ Supporting improved outcomes in maternal and child health; and
- ❑ Improving food security.

Through policy and regulatory reform, the Mission's assistance is helping to support the transition to an open market-driven economy.

USAID/Bangladesh also realized success across strategic objectives at the macro level through its ID/OD support. Through efforts over the years and particularly through recent interventions under Strategic Objective 1 (Fertility Reduced and Improved Family Health, IR 1-Improved Quality of Services, Strengthening Front-Line Health Workers), polio has been nearly eradicated in Bangladesh. Polio cases declined from 29 incidents in 1999 to 1 in 2000, with no new cases reported in 2001. In 2000, mortality rates for children ages five and under and infants declined significantly, to 30 deaths per 1,000 births and 66 deaths per 1,000 births, respectively. These figures surpassed target rates of 34 and 78 deaths per 1,000 births, respectively.

In addition, the Mission's Strategic Objective 3 (Strengthened Institutions of Democracy) produced impressive results through ID/OD interventions. The Democracy Partnership was the first USAID-supported democracy program in Bangladesh involving numerous non-governmental organizations (NGOs) in election processes. As a result, civil society coalesced around such critical issues as anti-trafficking of women and children, anti-corruption, support to worker's unions, and other democracy issues. Results

under anti-corruption interventions include creation of two of six planned committees of concerned citizens and initial activities for an Advice and Information database. In addition, a prime contract is in place with an NGO to address two areas of the worst human rights violations: violence against women and children and inhumane child labor practice.

### *Egypt*

Generally positive results were achieved in Egypt, although as the Operating Unit's FY 2000 data indicate "as it is early in the strategy period, *achievement in some cases is limited to laying the groundwork for future results.*" Interventions cut across strengthening private-sector growth and competitiveness, managing environmental resources, and increasing the capacity of the social service system to deliver improved services that are sustainable after project completion. Despite an economic slowdown, progress toward liberalizing Egypt's economy appears to be on target. Cutting across economic development and human capacity development goals was the Mission's support of sustainable development through strengthening Egypt's higher education and training systems.

In addition, USAID/Egypt supported establishment of the Egyptian Technical University, which increased workers' access to needed training and development. Strengthened governance systems were also a focus, with an emphasis on strengthened civil involvement in administration of justice and management systems for courts at the organizational level. A stronger utility sector is being created through legal and regulatory reform, which will improve environmental quality and public health.

Although many of USAID/Egypt's programs are nascent, ID/OD activities generated early success. For example, through support of advocacy campaigns under its Strategic Objective 16 (Environment for Trade Strengthened, Intermediate Result 16.2.3-Investment Environment Improved), new shares issued in capital markets increased by 19.5 percent in 2000. As a result of other support under this strategic objective and advocacy campaigns, over 35,000 jobs were created through 113,000 loans under the Small and Micro-Enterprise program, with expanded access for borrowers who previously lacked access to credit from formal financial institutions.

Under a Special Objective (Basic Education Improved), USAID/Egypt's attention to education service providers increased girls' enrollment in rural Upper Egypt schools 19.5 percent since 1995 through the Mission-supported New Schools Program. The number



of girls and women benefiting from all Mission-funded formal and non-formal programs reached 20,535 in 2000, significantly above the target of 18,511 females.

ID/OD assistance under Strategic Objective 18 (Access to Sustainable Utility Services) in fostering public-private partnerships resulted in Egypt's awarding its first solid-waste management privatization contract, a key priority of the Egyptian Government. As a result of this intervention, additional Red Sea Hotels have adopted more environmentally friendly wastewater practices to reduce solid waste.

### *Indonesia*

Indonesia's seven strategic objectives support five of the six Agency strategic goals. Although the country grapples with political uncertainties, natural disasters, ethnic violence, and a struggling economy, it continues to pursue its transition to democracy. With the Mission's support, Indonesia is seeing tangible results. Decentralization is being applied across strategic goals. Moreover, a strengthened policy environment to support economic development evolved from policy reforms in competition, corporate governance, decentralization, trade, and small and medium enterprises.

In addition, activities under the democracy and governance strategic goal strengthened Indonesia's legislature. Through its ID/OD support, USAID/Indonesia helped the Government draft a code of ethics that led to major constitutional changes, including human rights protections; helped Parliament conduct tests of prospective senior government officials; facilitated establishment of a National Law Commission; and strengthened communication systems (radio) to ensure availability of information on corruption and human rights. In addition, Mission-supported advocacy efforts resulted in citizen participation and inclusion of women, creation of unions, and increased awareness of workplace and community issues.

Sustainable results are evident from other USAID/Indonesia's ID/OD interventions, as well. Under the Mission's governance strategic objective, a local Mission-supported NGO networked 15,000 members on a secure e-mail system that disseminates articles on corruption, military abuses of power, and human rights. This effort represents a major breakthrough in decentralizing the flow of information to large areas of Indonesia. Additionally, nine local

governments in East and West Java produced new participatory medium-term development plans in 2000. Of note, the Government adopted this planning process as a model for all local governments.

Under its Strategic Objective 12 (Strengthened and Decentralized Natural Resource Management), USAID/Indonesia's support for planning processes, mapping, and facilitation of focus groups led to adoption of community-managed zones in parks and national forests. As a result, more than 30 communities acquired tenure rights over traditional forests, providing an enforceable mechanism to protect forests from illegal logging. In addition, through use of the Mission's natural resource management model, East Kalimantan declared Government protection of 200 community forests containing about 400,000 hectares.

### *Morocco*

Significant results are also being achieved in Morocco across the Agency's strategic goals. ID/OD Intermediate Results under strategic objectives have several emphases. First is strengthening markets through policy and regulatory reform and micro-finance activities; the latter activity, in turn, increased the availability of loans to women. Another focus is strengthening educational systems, particularly through enrolling girls, maintaining their enrollment, and developing advocacy for their education. In addition, an effective, decentralized management system for primary health care systems is being pursued and is seen as more responsive to client needs and demands.

USAID/Morocco's activities under the human populations strategic goal increased access to Family Planning/Maternal Child Health services and led to the development and dissemination of national standards for family planning methods and emergency obstetric and neonatal care.

Environmental issues, particularly water issues, are of great concern in sustaining Morocco's agricultural development and in addressing health, equity, and social welfare issues. To that end, under Strategic Objective 6 (Improved Water Resources Management in the Souss-Massa River Basin), USAID/Morocco supported implementation of the Souss-Massa River Basin Integrated Water Resources Management pilot. Progress was made in building the capacity of this project and decentralizing decision making. Other environmental gains emanating from the Mission's support include developing procedures for reducing or reallocating water, building technical capacity to monitor water quality and quantity, developing

communication mechanisms to promote collaboration, and sharing information for decision making.

Further achievements resulting from USAID/Morocco's ID/OD assistance include the following:

- ❑ Under Strategic Objective 5 (Intermediate Result 5.2-Capacity of Selected Institutions to Foster Private Enterprise), the Mission's efforts to strengthen oversight capacities of micro-finance institutions motivated the Government to contribute new funds to the program. As a result, the Mission was able to redirect funds to new micro-finance projects.
- ❑ Under Strategic Objective 6 (Improved Water Resources Management), three ID/OD Intermediate Results supported successful interventions. Progress toward key reforms exceeded targets, a best practice model was developed for making NGOs full partners in the development process, and the Water Resources Sustainability Activity achieved water pollution targets, with a small quantity of the plant's treated water used to irrigate vegetation inside the plant.
- ❑ The Mission's ID/OD support to the Ministry of Health for family planning services helped lower fertility rates and reduce mortality rates of children under five. As a result, USAID/Morocco's family health interventions now serve as a model for other countries.

### 3.1.3 Europe and Eurasia

The Results Frameworks of several countries in the Europe and Eurasia Bureau that demonstrate ID/OD Intermediate Results are discussed below.

#### *Bulgaria*

ID/OD Intermediate Results are incorporated in four of USAID/Bulgaria's strategic objectives: Growth of Private Enterprises, More Competitive Private Financial Sector, Increased Citizen Participation, and Responsive and Accountable Local Governments. The Mission's ID/OD support contributed to the following achievements at the macro and micro levels:

- ❑ Despite increasing unemployment, particularly among ethnic minorities, Bulgaria's economy continued to grow for the third year, reaching 5 percent in 2000. Privatization continued, with 80 percent of non-utility assets now privately owned.

- ❑ Mission-assisted firms added more than 1,700 jobs, 55.2 percent of which are held by women.
- ❑ Thirty infrastructure projects were completed, including rehabilitation of roads, water supply systems, and bridges. These efforts provided an additional 1,062 temporary jobs for Bulgaria's poorest communities.

### *Moldova*

USAID/Moldova's Results Framework includes ID/OD Intermediate Results under six of its strategic objectives: Increased Transfer of State-Owned Assets to the Private Sector; Fiscal and Financial Reforms; Private Enterprise Growth; More Competitive Private Financial Sector; Economically Sound, Environmentally Sustainable Energy Sector; and Growth of Private Enterprises. Major results from the Mission's ID/OD support include:

- ❑ Three distribution companies were privatized, and progress is being made toward privatizing two other distribution companies and three power-generation companies.
- ❑ A unified tax code increased FY 2000 budget revenues 40 percent (20 percent after adjusting for inflation).

### *Macedonia*

USAID/Macedonia's Results Frameworks incorporates ID/OD Intermediate Results under three of its strategic objectives, which are linked to the Agency's economic growth and democracy and governance strategic goals. With the Mission's ID/OD support, Macedonia's economy grew from 2.7 percent in 1999 to 5.1 percent in 2000, with economic growth and industrial production expanding by 10 percent.

### *Russia*

USAID/Russia's Results Framework includes ID/OD Intermediate Results under six of its strategic objectives: Accelerated Development and Growth of Private Enterprises, Improved Economic Infrastructure, Increased Environmental Management, Better Informed Citizens Participation, Strengthened Rule of Law, and Improved Effectiveness of Selected Social Benefits and Services. Achievements under the Mission's ID/OD assistance are as follows:

- ❑ Momentum was gained in social service delivery reforms and programs based on regional models.

- ❑ The rate of inflation declined 20 percent during 2000, down from 36.5 percent in 1999.
- ❑ The Russian Government prepared cross-sectoral legislative packages on pension reform, deregulation, social sector reform, and health reform.
- ❑ NGOs in Mission-targeted regions submitted over 231 expert commentaries on policy issues to local authorities, indicating the increasing influence of CSOs and NGOs in Russia.

### 3.1.4 Latin America and the Caribbean

Systematic programming of ID/OD interventions is evident in the Results Frameworks of most country programs in the Latin America and Caribbean Region. All Operating Units in this region have ID/OD Intermediate Results under most or some of their strategic objectives. Of note, the Operating Units of Honduras, Guyana, Dominican Republic, Ecuador, El Salvador, Bolivia, Paraguay, and Peru have a high number of ID/OD Intermediate Results under many of their strategic objectives, as detailed in Table 6.

#### *Bolivia*

ID/OD support is systematically programmed in Bolivia's Results Framework, with ID/OD Intermediate Results appearing under four of its five strategic objectives. These include Increased Citizen Support for the Bolivian Democratic System; Increased Income for Bolivia's Poor, with Emphasis on Targeted Communities Directly or Indirectly Assisted by USAID; Improved Health of the Bolivian Population; and Forest, Water, and Biodiversity Resources Managed for Sustained Economic Growth.

Despite continuing economic stagnation and social unrest, USAID/Bolivia is exceeding its targets for these interventions. The Mission's ID/OD assistance is helping to deepen and broaden development activities, support and institutionalize democratic reforms, provide income-generating opportunities for the rural poor, and improve health and protect the environment. Further, USAID/Bolivia contributed to eliminating coca in one region, with a net coca reduction of 6,999 hectares.

Under its Strategic Objective 1 (Increased Citizen Support for the Bolivian Democratic System), USAID/Bolivia supported training of 120 judicial

**Table 6. ID/OD Intermediate Results in Results Frameworks of Operating Units in Latin America & the Caribbean**

Operating Units	Total Strategic Objectives	Total Intermediate Results
Honduras	7	22
Guyana	3	24
Dom. Republic	10	14
Ecuador	6	12
Paraguay	3	9
El Salvador	4	13
Peru	7	11

officials (judges, prosecutors, and defenders), who in turn trained 3,000 of their colleagues. A Mission-supported network of seven NGOs reached 400,000 citizens through a massive education program. Finally, female council members increased from 128 to 500 women, through strong quota provisions in the Electoral Code.

USAID/Bolivia's support helped Bolivia achieve success in the environment sector, as well. Under Strategic Objective 4 (Forest, Water, and Biodiversity Resources Managed for Sustained Economic Growth), ID/OD assistance played a major role in Bolivia becoming a world leader in sustainable tropical forestry through its adoption of sustainable management practices.

Significant development gains were made through USAID/Bolivia's ID/OD support in two additional areas, as follows:

- ❑ Under its Strategic Objective 2 (Increased Income for Bolivia's Poor, Intermediate Results 1-Increased Access to Financial Services), the income of the targeted poor increased from \$950 in 1999 to \$1,145 in 2000, through access to micro-finance services supported by USAID/Bolivia.
- ❑ Under its Strategic Objective 3 (Improved Health of the Bolivian Population), rates of chronic malnutrition fell from 52 percent in 1996 to 36 percent in 2000.

### *Dominican Republic*

USAID/Dominican Republic has 11 ID/OD Intermediate Results under three of its four strategic objectives. The three objectives—democracy and governance, health, and environment—are linked to the Agency's democracy and governance, population and health, and environment strategic goals, respectively, with favorable prospects for their Results Framework.

During 2000, the Mission exceeded expectations under Strategic Objective 3 (More Participatory, Representative, and Better Functioning Democracy). Expectations were also met under the following strategic objectives: Strategic Objective 2 (Increased Use of Sustainable Basic Health Care Services and Practices) and Strategic Objective 7 (Policies Adopted that Promote Good Governance for Sustainable Economic Growth).

The Mission's ID/OD assistance to the Dominican Republic remains focused on promoting democracy, economic prosperity, and social development. Democratic processes are materializing, with a more



evident, self-empowered civil society the result. Despite the Government's six-month hold on the FY 2000 program budget and the change in Government counterparts as a result of the May 2000 presidential elections, the Mission's ID/OD support yielded significant contributions through improving the quality and accessibility of health care, advancing health care reforms, and assisting the Mejia Administration in developing an ambitious social and economic agenda across all sectors.

With USAID/Dominican Republic support, gains also were made in the health arena. For example, under its Strategic Objective 2 (Increased Use of Sustainable Basic Health Care, with four ID/OD Intermediate Results), Mission-funded public services and NGOs provided a full range of preventive and curative care interventions that reached 521,000 people. According to recent studies, condom use has increased as a result of HIV/AIDS prevention services. The Mission's ID/OD support also provided key input into the Dominican Republic's health decentralization policy.

The Mission's assistance in the democracy and governance areas is helping to create civil society support, with Mission-funded CSOs and NGOs increasingly framing political debates and demanding public accountability. Under its Strategic Objective 3 (More Participatory, Representative, and Better Functioning Democracy, Intermediate Result 1.1-Strengthened Rule of Law), the Mission-funded expansion of a public defenders' pilot program improved citizens' access to justice. The number of public defenders' offices rose from three to seven, with public defenders handling 6,585 cases.

Under Strategic Objective 7 (Policies that Promote Good Governance and Sustained Economic Growth, Intermediate Result 1.1-Policies for a More Competitive Economy), ID/OD support helped develop a National Competitiveness Strategy. A comprehensive set of economic reforms and projects to help the Dominican Republic become more competitive, this strategy also is designed to increase economic opportunities for low-income Dominicans. Major economic reforms, including the development and adoption of six key policies or laws under the Mission's direct assistance, contributed to economic growth of 7.8 percent in 2000. Although substantial income inequity still exists, the Dominican Republic's new administration will continue to address this disparity.

### 3.1.5 Central America Region

Central America's Results Framework includes ID/OD interventions under three of its four strategic objectives. These objectives include

Strategic Objective 1 (Increased Central American Participation in the Global Market), Strategic Objective 2 (Increased Effectiveness in Regional Stewardships of the Environment), and Strategic Objective 3 (Enhanced Capacity to Respond to HIV/AIDS). In 2000, ID/OD interventions for the Central America Program cut across its key sector programs in trade, the environment, and HIV/AIDS. Moreover, they continue to shape region-wide policies and best practices, increasingly integrating activities and impacts and producing significant, more sustainable results.

Additional results of ID/OD support in Central America include the following:

"If the reforestation of the mangroves is increased, we will have more clams, crabs, and other seafood that our families need to survive and increase our income. We are in a learning process that will allow us to take care of our environment."

*Honduran President  
USAID Reforestation Project  
Hurricane Mitch Relief Effort*

- ❑ Under Strategic Objective 1 (Increased Central American Participation in the Global Market), efforts to promote trade and investment in Central America, encouraged the region's acceptance of an external, export-led strategy. Trade as a percent of GDP increased by 54 percent in 2000. These efforts were supported by PROALCA, USAID's Program for Supporting Central America's Participation in the Free Trade Areas of the Americas.
- ❑ Through PROARCA (the Central America Environmental Program), USAID helped bring 27 additional protected areas under improved management through property owners' active participation in conservation.

### *Honduras*

USAID/Honduras is a model for systematic programming of strategic objectives in its Results Frameworks, with ID/OD Intermediate Results in all seven of its strategic objectives supporting all Agency goals. While continuing its assistance to reconstruction following Hurricane Mitch, the Mission significantly shifted its activities to post-reconstruction opportunities in fundamental reform activities in several sectors. USAID/Honduras has seen its ID/OD impact multiplied through the emergence of a strengthened donor coordination effort, led by the United States.

The impact of USAID/Honduras' ID/OD interventions is reflected in other key results, as the following examples demonstrate.

- ❑ Agricultural and forestry product exports increased to \$730 million, 22 percent above target. Through USAID-supported strengthened management capacities (Strategic Objective 2, Intermediate Results 2.1-Sustainable Management of Protected



Areas), the National Forestry Science School improved its technical capacity in watershed management in 20 municipal governments and 43 communities. As a result, 1,700 hectares were restored and protected as a result of increased management capacities.

- ❑ Significant strides under Strategic Objective 3 (Intermediate Result 3.2-Sustained Use of Child Survival Services) were also made in infant and child health, with 65.2 percent of children under the age of two showing adequate growth trends.
- ❑ In the democracy arena, key results under Strategic Objective 4 (Strengthened Rule of Law, Intermediate Result 4.2-Independent Judiciary) included passage of a Constitutional amendment to depoliticize judicial appointments.
- ❑ Under Strategic Objective 6 (Improved Opportunity to Obtain Basic Education and Vocational Skills, Intermediate Result 6.1-More Hondurans Completing Quality Primary and Middle School, and Intermediate Result 6.2-Alternative Basic Education Delivery Systems), the Mission's efforts exceeded goals for children completing grade levels. Students passing their grade level increased from 38,159 children in 1999 to 54,696 in 2000.

## *Paraguay*

USAID/Paraguay's ID/OD support is systematically programmed in its Results Frameworks, with its three strategic objectives linked to the Agency's democracy and governance, population and health, and environment strategic goals. Significant results were achieved in several sectors.

For example, under Strategic Objective 1 (Improved Responsiveness and Accountability of Key Democratic Institutions), the Mission's ID/OD support to Paraguay's year 2000 national elections included voter motivation campaigns, election-day information centers, and international observation teams. This support resulted in the Mission's most significant program achievement: the August 20, 2000 vice-presidential election moved the country to a multi-party system.

Other significant results under this objective included support for a program to encourage civilian-military dialogue. This program provided a forum to foster mutual trust between civilians and the military, resulting in an unusual and valuable exchange of expertise. Civilians are receiving training in military issues, while the military is undergoing training in democratic values. USAID/Paraguay also supported participatory planning in 17 municipalities; as a result,

the Government now views such planning as a necessary role for local governments. The outcome: A decentralization bill being developed will require all 224 municipalities to perform participatory planning activities.

Under Strategic Objective 2 (Improved Management of Expanded Protected Areas), Mission-supported land tenure survey was the first step in the establishment of a biosphere of over six million hectares. As a further result of USAID/Paraguay's ID/OD interventions, the Government of Paraguay, CSOs, and the Mission jointly developed three ecoregional conservation plans. The plans encompass the Chaco dry forest, the Pantanal wetlands, and the interior Atlantic rainforest regions of Paraguay, Bolivia, Brazil, and Argentina. An environmental network is pressuring the Government to preserve the environment and protect valuable public park areas. Also, a local private non-profit organization is now jointly managing the country's largest park with the Government.

### *Nicaragua*

USAID/Nicaragua's program includes one ID/OD intermediate result under its Strategic Objective 1 (More Political Participation and Transparency). Under Intermediate Results R 1.1 (Consolidating the Rule of Law), the Mission substantively improved the rule of law by contributing to policy reforms in the justice system and establishing a Public Defender's Office and the Public Ministry.

### *El Salvador*

USAID/El Salvador's ID/OD interventions under its strategic objectives are linked to the Agency's strategic goals of economic growth, democracy and governance, and health. They include but are not limited to the following:

- ❑ Under Strategic Objective 1 (Expanded Access and Economic Opportunities for Rural Families in Poverty), 39,000 borrowers and 71,000 savers were reached through a Mission-supported credit system. A micro-credit institution also has been created.
- ❑ Public confidence in the justice system increased through the Mission's support under Strategic Objective 2 (Strengthened Local Government, Intermediate Result 2.3-Increased Use of Justice), with the Public Defenders Office expanding its caseload from 14,000 cases in 1999 to 36,000 in 2000. The Attorney General's Office tripled its caseload.

### 3.1.6 Conclusion for Hypothesis One

The above examples supplement and illustrate the statistical evidence to support Hypothesis One. ID/OD support is systematically programmed in the Results Framework of Operating Units worldwide.

## 3.2 ID/OD Support Systematically Cross-Cuts Strategic Goals

This section discusses ID/OD interventions across the Agency's six strategic goals in Operating Units' programs in all four regions. The discussion presents information relevant to this study's second hypothesis, which is:

*ID/OD support systematically cross-cuts strategic goals in Operating Units' programs.*

Evidence in support of this hypothesis is organized in the discussion that follows by USAID's six strategic goals (see Figures 1 and 2 in Section 2). Under each goal, ID/OD support is presented by region.

### 3.2.1 Strategic Goal 1: Economic Growth

USAID's ID/OD interventions for economic growth cover a broad spectrum of assistance. In sub-Saharan Africa, ID/OD support is provided for private-sector reform, reducing bureaucratic red tape that constrains growth, strengthening financial institutions' capacities to lend to rural enterprises, and supporting the growth of small and medium enterprises in Ghana, Kenya, Mali, Mozambique, Namibia, South Africa, Tanzania, and Uganda. The most significant successes of these programs were sustainable financial intermediaries that deliver rural financial services, with women borrowers as the primary beneficiaries.

Similar interventions for economic growth are evident in Asia and the Near East. They include strengthening private health clinics to recover costs, strengthening private-sector management capacities, providing capital to financial intermediaries, strengthening enterprises to enter new markets, improving the private sector policy environment, increasing access to credit to rural communities, and strengthening economic regulatory institutions in Bangladesh, Egypt, Jordan, Mongolia, the Philippines, and West Bank/Gaza.

In Europe and Eurasia, ID/OD interventions for economic growth included supporting policy, law, and institutional reforms to enable private-sector growth in Armenia, Bulgaria, Georgia, and Macedonia; supporting the reform of budgeting and financial management practices in Moldova; strengthening business support services in Romania; and supporting the growth of micro-finance institutions in Russia.

Latin America and the Caribbean received ID/OD support for economic growth similar to that provided in other regions. In Ecuador and Guyana, support provided to village banking institutions enabled them to broaden their lending services. Guyana also received support to strengthen its regulatory and investment environment. In Haiti, ID/OD support to the agricultural sector was designed to improve capacity for agricultural production.

Discussion now turns to a region-by-region analysis of examples of ID/OD support for economic growth.

### *Sub-Saharan Africa—ID/OD Support for Economic Growth Goal*

With this project, USAID connects the hearts of the American people with South Africans through the Nelson Mandela Children's Fund. U.S. support of the Fund's micro-finance program underscores the fact that AIDS is not just a health issue, but a fundamental development and economic issue as well.

*White House Office on  
National AIDS Policy*

ID/OD Intermediate Results supporting the economic growth goal in sub-Saharan Africa are presented below. Discussion focuses on results for Ghana, Ethiopia, Mozambique, Kenya, Rwanda, Namibia, and Malawi.

Directly linked to the Agency's strategic goal of economic development, Ghana's Strategic Objective 1 (Increased Private-Sector Growth) incorporates ID/OD activities under seven Intermediate Results. These Intermediate Results emphasized development of an enabling environment for economic growth. Additional Mission assistance under this goal included strengthening the West Africa Gas Pipeline Project through consultancies to prepare member countries (Ghana, Nigeria, Togo, and Benin) to obtain the best possible terms of reference from their private-sector project counterparts under the implementation agreement between the private sector and the member governments. USAID/Ghana's support also is intended to build capacity among member governments to design and implement a transnational management system for the pipeline that will be efficient and equitable. This strategic partnership has strong implications for regional economic growth.

Institutional strengthening of the agricultural sector under USAID/Ethiopia's assistance in Ethiopia has included restructuring 112

farmer cooperatives into business-oriented enterprises and establishing eight cooperating unions to avail themselves of economies of scale for equipment, marketing, and supplies. New loans were made available through the cooperatives for participatory approaches to technology that focused on female members of households. As a result of this strengthening initiative, over 400 rural households are participating in on-farm demonstrations.

USAID/Mozambique's assistance under the Agency's economic growth goal focused on basic economic development and increased income and food security for nine million inhabitants of north-central Mozambique. The Mission-supported rural group enterprises assisted 27,483 farm households; participation in group enterprises increased income slightly, as well as participation of female members. USAID/Mozambique's contribution toward completion of a major segment of the north-south highway created 1,000 full-time jobs for local residents and an additional 58,000 part-time jobs.

ID/OD interventions under Kenya's Strategic Objective 2 (Increase Commercialization of Smallholder Agriculture and Natural Resource Management) produced notable results in reforming agricultural policy and creating jobs in natural resource management and in small and medium enterprises. The Mission's natural resource management program is designed to build community-based organizations and increase income-generating opportunities. From the mid-1990s to 2000, partnerships established under the USAID/Kenya project were strengthened and capacity was built in community-based organizations, resulting in increased investments in natural resource management—from \$5,796 in 1994 to \$365,000 in 2000. This resulted in community incomes in project areas increasing from \$119,000 to \$274,314 and 367 jobs being created during this period. Finally, through the Mission's support, hybrid seed production was increased and 1,360 farmers, 45 percent of whom are women, were trained to sustain seed production.

Under the same strategic objective (Intermediate Result-Increased Labor Opportunities for Smallholders), micro- and small enterprises increased by 15 percent in 2000, exceeding the Mission's target of 10 percent. Women comprised 47 percent of those employed. In addition, micro-finance portfolios increased, with a 94-percent operational self-sufficiency rate, up from 59 percent in 1998. Through the World Council of Credit Unions, USAID/Kenya helped 16 credit unions, with a \$53.4-million loan portfolio, and 99,060 borrowers and 116,600 savers, 40 percent of whom are women, achieve operational self-sufficiency.

USAID/Rwanda's ID/OD strengthening assistance under its Strategic Objective 3 (Increased Ability of Rural Families in Targeted Communities to Improve Household Food Security) benefited the agricultural sector and other parts of the rural economy. Under Intermediate Result 3.1 (Improved Ability of Financial Institutions to Loan to Farmers), USAID helped farmers, particularly women, access financial resources. Financial grants to a farmers' cooperative allowed farmers to restart pyrethrum, a valuable crop. This support resulted in a 50-percent increase in the number of households (11,000 households total) cultivating this crop and a 200-percent increase in land under cultivation.

Several achievements were realized under Namibia's Strategic Objective 1 (Economic Empowerment of Historically Disadvantaged Namibians). Progress toward Intermediate Result 1.2 (Sustainable Local Capacity to Deliver Quality Business Support Services) and Intermediate Result 1.3 (New Business Linkages and Markets Formed) includes private firms' adoption of personnel assessment and recruiting tools. This intervention is designed to combat gender and racial bias through training provided to 40 human resource practitioners. Additionally, training for entrepreneurs in basic management skills led to the development of a joint venture between a Namibian and South African partner to establish a battery plant. Finally, two joint venture proposals were developed between a Namibian and South African company to create dry port facilities along the trans-Kalahari highway.

USAID/Malawi's ID/OD assistance under Strategic Objective 1 (Increased Agricultural Incomes on Per Capita Basis) resulted in the Mission's attaining its 2000 targets under the Intermediate Results. Under Intermediate Result 1.1 (Rural Business Developed), farmer-owned agribusinesses and cooperatives increased from 39 cooperatives in 1999 to 69 in 2000, exceeding the target by 53 percent. Cooperative membership increased to 81,400 in 2000, a 49-percent increase from 1999. Due to the cooperatives' success, the National Bank of Malawi provided a line of credit to association members growing non-traditional export or cash crops, significantly increasing lending opportunities to smallholders.

### *Asia and the Near East—ID/OD Support for Economic Growth Goal*

ID/OD Intermediate Results linked to the economic growth goal in the Asia and Near East Region are discussed below. Successes in the Philippines, Egypt, Mongolia, West Bank/Gaza, and Jordan are presented.



Despite the poor performance of the economy, political upheaval, and highly publicized kidnappings, progress was made under the Philippines' Strategic Objective 1 (Accelerate the Economic Transformation of Mindanao). Mission-assisted banks provided over 33,000 micro-enterprise services during 2000, more than twice the target and triple the 1998 level. The successful experience of rural banks participating in the Mission's programs resulted in additional upstream benefits at the national level, with rural banks throughout the country "clamoring to join," according to the Mission's FY 2003 R4 report.

Under its Strategic Objective 2 (A More Stable and Competitive Economy) USAID/Philippines assisted the Government in economic restructuring through breaking up infrastructure monopolies, particularly in civil aviation and ports. With the Mission's assistance, an anti-competitive Executive Order affecting the country's largest port was stopped.

Under Strategic Objective 16 (Environment for Trade and Investment Strengthened), USAID/Egypt's assistance to the private sector, along with its capacity strengthening of public services, improved the environment for trade and investment in Egypt. Under Intermediate Result 16.2 (Private-Sector Competitiveness Increased) USAID/Egypt supports the adoption of better technology, improved market information, and strengthened capacities of Egyptian firms to market goods abroad. The Mission's assistance provided technical, management, and marketing support to 1,000 private firms in 18 of 26 governorates. These ID/OD interventions contributed to a four-percent increase in Egypt's gross domestic product in 2000. Details on the ID/OD interventions under Strategic Objective 16 and their results are as follows:

- ❑ Under Intermediate Result 16.2.3 (Investment Environment in Selector Sectors Improved), Mission-supported sectors (including processed foods, fresh fruits, and vegetables) increased by over \$70 million, with significant domestic investment in new production capacities.
- ❑ Mission-supported small and micro-enterprise development institutions (NGOs, a private bank, and a credit guarantee company) disbursed 113,000 loans valued at \$84.5 million to over 45,300 borrowers, generating an estimated 35,000 new jobs. About 33 percent of all loans are at the poverty level (\$300), and 32 percent were extended to women. Before this intervention, fewer than 10 percent of borrowers had access to credit.

Under Strategic Objective 1 (Accelerate and Broaden Environmentally Sound Private-Sector Growth), USAID/Mongolia's assistance under Intermediate Result 1 (Public Productive Assets Transferred In a Transparent Manner) supported the Parliament's strategy for privatization in Mongolia. Immediately following this legislation, the Cabinet agreed to the privatization of three key industries, including Gobi Cashmere, the Trade and Development Bank, and NIC, the government-owned oil importer. Additionally, under Intermediate Result 3, (Business Environment Improved) a new law to restructure the Mongolian energy sector was passed with USAID/Mongolia's assistance. About 75 percent of Mongolia's economy is now in private-sector hands, with the proportion ever-increasing.

ID/OD activities to mobilize and improve access to capital for micro-, small, and medium enterprises was provided in the West Bank/Gaza. Under Strategic Objective 1 (Expanded Private Sector Opportunities), the Mission's ID/OD support spurred the cumulative value of micro-enterprise loans from NGOs to reach about \$12.4 million, against a target of \$11.8 million. In addition, the Mission's support of two commercial bank partners resulted in successfully introducing new segments of the Palestinian economy to the formal banking system and demonstrating to the banks the viability and profitability of micro-lending. The major target of the micro-lending program is women from the poorer rural areas.

USAID/Jordan's Strategic Objective 5 (Increased Economic Opportunities for Jordanians), which promotes open markets through business policy reform and broad-based economic growth, has produced several achievements in Jordan. For example, the nation's accession to the World Trade Organization in 2000 followed 24 months of intensive Mission technical support. USAID/Jordan catalyzed support for major privatization transactions and improvements to accounting and audit standards. In addition, the Mission's funding of the micro-finance intervention provided credit opportunities to 17,000 clients, well over target. USAID/Jordan built sustainability into the micro-finance initiative by further supporting micro-finance training to improve the business practices of small and medium businesses.

### *Europe and Eurasia—ID/OD Support for Economic Growth Goal*

USAID has played a significant role in strengthening economies, particularly in transition societies. For example, the Mission in Macedonia contributed substantially to policy and financial



management under Strategic Objective 3 (Accelerated Growth and Development of the Private Sector, Intermediate Result 1.3-Legal and Policy Reforms Implemented), laying the legal framework for accounting reforms. In fact, more legislation to stimulate private-sector growth was passed in 2000 than in all other years combined of Mission assistance. In addition, USAID/Macedonia helped 380 local partners develop business plans, which created 335 jobs—60 percent of which were for women. USAID/Macedonia will continue its efforts to strengthen sustainable policy reform.

In Bulgaria, a Mission-supported micro-finance organization, Moznosti, was registered and licensed as a savings house in 2000 and is being converted to a commercial bank. Under Strategic Objective 3 (Accelerated Development and Growth of Private Enterprises), Moznosti's clients more than doubled, growing from 798 in 1999 to 1,763 in 2000. Bulgaria's FY 2003 R4 notes that USAID-assisted micro-financing appears to be setting an example for the traditional financial sector; some commercial banks recently have initiated micro-lending units to facilitate their competitiveness in the micro-lending market.

Economic development support in Croatia under Strategic Objective 1 (Accelerated Return and Sustainable Reintegration of War-Affected Populations, Intermediate Result 3.1-Enterprise Growth and Expansion) contributed significantly to the return of refugees and rebuilding the economy. In the area of economic revitalization, more than 650 farmers were provided with meaningful employment and annual income. Assistance to small and medium enterprises produced 295 new trade linkages and an 18-percent increase in exports.

In Georgia, Mission-funded credit programs continue to exceed targets, particularly for female borrowers. The percentage of women borrowing grew from 5 percent to 26 percent of all borrowers. Through USAID/Georgia's tax reform support to the Ministry of Revenue to improve professionalism of tax inspection and its collection sector, Georgia met its tax revenue conditionality, allowing the International Monetary Fund to release \$12.5 million under the new Poverty Reduction and Growth Facility.

Under its economic reform support, the Mission's assistance in banking reform provided the basis for closing down weak and corrupt banks. USAID/Georgia also provided economic development assistance to the Georgia Small Enterprise Project by identifying legal and regulatory impediments to the growth of private enterprises. Through the Mission's support for land

registration to promote the growth of small and medium enterprises, over one million land parcels were registered.

USAID/Georgia's technical assistance to promote a more economically sustainable energy sector contributed to development of a transparent electricity trading mechanism. The Mission's focus in this arena was to help Georgia provide electricity generation and distribution entities for sale to qualified international investors.

Finally, under its Special Objective, the Mission's technical assistance provided support to privatize strategic, state-owned properties to the Ministry of State Property Management. This strengthening initiative enabled Georgia to meet World Bank conditionality targets for release of the next tranche of funds.

Despite the difficult conditions in Romania, the Mission's programs contributed to the country's establishing a more competitive, market-oriented business environment; moreover, the private sector's share of the economy is slowly expanding. For example, USAID/Romania's ID/OD support for restructuring state monopolies in the energy sector was an important step toward privatizing public utilities and creating a more competitive and effectively regulated industry. Additionally, the Mission's support to the weak banking sector led to development of more effective banking regulatory and supervisory structures. Further results are detailed below.

- ❑ Financial support of a micro-enterprise project led to an operationally profitable project and technical assistance for an analysis of regulatory constraints; equity financing of the agricultural sector expanded urgently needed credit.
- ❑ Financial assistance to organizations that support Romanian businesses is continuing to impact legal and regulatory impediments and creating financial sustainability of these organizations.
- ❑ Technical assistance for implementing and strengthening a credit union program resulted in financial control mechanisms in 24 credit unions, which serve 104,479 members. USAID/Romania's promotion of sound financial markets, particularly the banking industry, included technical assistance in conducting on- and off-site examinations of state and private banks. Further, its support for publication of aggregate banking statistical information led to improved transparency of the banking sector.

With USAID/Kosovo's support of private-sector growth and job creation through mobilizing loan and equity finance, three micro-

finance activities were launched in war-ravaged areas of Kosovo. In 2000, more than \$3.5 million was mobilized in farm-sector credit, with women receiving 50 percent of these loans. The Mission also launched an expanded commercial bank training program to build banking skills and strengthen corporate governance, both of which are critical to a sound banking system that fuels investment and growth. USAID/Kosovo's assistance in strengthening supervisory skills in the regulatory arena resulted in over 400 inspections, which revealed 80 violations of the security law.

### *Latin America and the Caribbean—ID/OD Support for Economic Growth Goal*

In Bolivia, the Mission's assistance to the micro-finance sector under its Strategic Objective 2 (Increased Income for Bolivia's Poor, Intermediate Result 2.1-Increased Access to Financial Services in Rural and Urban Areas) increased rural income from \$950 in 1999 to \$1,145 in 2000, significantly improving the livelihood of farmers in several regions. Farms receiving financial services increased from 6,300 in 1999 to 9,821 in 2000; women comprised up to 65 percent of loan recipients.

Strengthening micro-finance institutions in Honduras under Strategic Objective 1 (Economic Reactivation Meeting the Needs of the Poor, Intermediate Result 1.2-Improved Market Access by the Poor) resulted in disbursement of \$28.6 million to 93,544 clients. Seventy-nine percent of the clients were women, who now represent 48 percent of the total micro- and small enterprises in Honduras.

The Mission's ID/OD support to the government and the private sector in developing a set of business strategies (Strategic Objective 7-Policies Adopted that Promote Good Governance and Sustained Economic Growth, Intermediate Result 1.1-Policies for a More Competitive Dominican Economy) led to policies in the Dominican Republic that improved the Index of Economic Freedom. The country's economy grew 7 percent or more in 2000.

USAID/Ecuador's micro-credit activities in Ecuador through its Strategic Objective 4 (Increased Access to Financial Services by Micro-entrepreneurs, with Emphasis on Women, Intermediate Result 4.2-Upgraded Micro-Credit Delivery Systems) expanded the capacity of micro lending institutions to deliver financial services to 10 branch offices and increased the Banco Solidario's micro-credit portfolio to 24,000 active clients. Along with village banks, 54,000 poor households were reached in 2000, benefiting mostly women. The Mission's micro-enterprise program through village banking

enabled entrepreneurs to access credit at a much lower interest rate than was previously available. A success story from Ecuador tells of a woman who was able to build up her bakeshop over three years, enabling her to open a second shop and graduate from village banking to a formal banking system.

In El Salvador, the Mission achieved significant results under its Strategic Objective 1 (Expanded Access and Economic Opportunity for Rural Families in Poverty, Intermediate Result 1.5-Economic Policy Environment Supporting Greater Equity). Mission-supported national discussions on anti-trust laws and free competition led to development of a draft anti-trust law. Additionally, the Superintendency of Banks, with the Mission's technical assistance, developed 30 initial regulations for supervising non-bank financial institutions aimed at guaranteeing their soundness and sustainability.

### 3.2.2 Strategic Goal 2: Democracy and Governance

Investment in democracy and governance is recognized in the development literature as a major contribution to sustainable development. It is further recognized that distortions in allocation of resources do not occur by accident, but because of under-representation of the majority. As reminded by a recent report:

The poor remain poor principally because they are under-represented in political and economic decisions, because their voice is not sufficiently loud in the selection of society's priorities, and because their needs do not weigh sufficiently heavily in the allocation of public resources (UNICEF 1995, 47).

USAID's support for ID/OD under the Agency's democracy and governance strategic goal is found in 58 strategic objectives (25 percent) with ID/OD Intermediate Results worldwide. Strategic objectives supporting this goal are broken out, by region, as follows: 28 strategic objectives in sub-Saharan Africa, 14 in Asia and the Near East, 16 in Europe and Eurasia, and 12 in Latin America and Caribbean

ID/OD interventions linked to the Agency's democracy and governance strategic goal in sub-Saharan Africa include strengthening:

- ❑ The policy environment in Eritrea, Ethiopia (HIV, energy), Ghana (education, energy), Kenya (environment, agriculture), Guinea (local government), Madagascar, Malawi and Tanzania (environment, health), Mali (NGOs), Zambia (health);

- ❑ Strategic partnerships in Ghana (West Africa Gas Pipeline), Sudan, and Tanzania;
- ❑ Leadership at the policy level (e.g., Parliament for oversight and revision of legislation) in the Democratic Republic of Congo, Eritrea, Namibia, Rwanda (judiciary to provide transparent, effective rule of law and access to the criminal justice system by reducing case backlog), Mozambique (decentralization, local government), and Uganda;
- ❑ Constituency building in Ethiopia, Kenya, Malawi, Mali, Mozambique, Somalia, and Zambia (inclusion of formal NGOs at the local level); and
- ❑ Electoral commissions in Malawi and local government processes in Mozambique.

In Asia and the Near East, ID/OD interventions in support of the democracy and governance goal include strengthening Parliament in Bangladesh. In Egypt and Mongolia, interventions are designed to strengthen the capacities of CSOs to participate in developing and improving the justice system to reduce case backlogs. Improving policy analysis capacities is the focus of ID/OD interventions in Lebanon. In the Philippines, the focus is on strengthening the Government's capacities to address key policy issues of the disadvantaged. Finally, ID/OD interventions seek to facilitate the drafting and passing of legislation in West Bank/Gaza.

In Europe and Eurasia, ID/OD support for democracy and governance represents the largest percentage of strategic objectives—18 of 45 objectives. Activities include extensive support for citizen participation and CSOs in Belarus, Georgia, Romania, and Ukraine, as well as efforts to improve the policy environment in several countries. In Bulgaria, ID/OD activities include strengthening NGOs, the regulatory environment for CSOs, and an independent media; an additional focus is establishing judicial training institutions to support democratic and market reforms. Other democracy and governance interventions in this region include facilitating partnerships between local government, businesses, and communities to address citizens' issues in Georgia; improving the capacities of local government in Romania; and strengthening election processes in Russia.

ID/OD support for democracy and governance in the Latin America and Caribbean Region is targeted in 18 of its 62 strategic objectives. Strengthening activities for democracy and governance include support for broader citizen participation in development in Guatemala, Bolivia, Dominican Republic, Haiti, Honduras, and Peru; more politically active advocacy organizations in El Salvador; and strengthened local governments across the region. Additionally,

capacity-building interventions improved the efficiency and effectiveness of legal systems in the Caribbean, strengthened the justice sector and CSOs in Ecuador to fight corruption, and improved management capacities of the court system in Guyana.

*Sub-Saharan Africa—ID/OD Support for Democracy and Governance Goal*

ID/OD Intermediate Results under democracy and governance in sub-Saharan Africa are discussed for Mozambique, Kenya, and the Republic of South Africa.

In Mozambique, the Mission's ID/OD support of civil society participation and leadership in legislative debates, political decisions, and public dialogue contributed to a smooth second general election. Increased management effectiveness typified this nation's strengthened CSOs, with an increase of average management quality from 6.5 to 8.8, (on a 1–12 index) surpassing the target of 8.

Under its Strategic Objective 1, USAID/Kenya's advocacy support to Intermediate Result 1.1 (Civil Society Strengthened with Emphasis on Women's Participation) moved women's issues to center stage in 2000. Sixty-two percent of surveyed CSOs indicated that affirmative action and proposals for an equity law were the year's most critical advocacy issues. Additionally, Mission-funded women's organizations identified Parliament as a key target for advocacy on women's issues.

The Republic of South Africa Mission achieved several accomplishments under its Strategic Objective 1 (Democratic Consolidation Advanced). Its most significant accomplishment in the criminal justice sector was formal initiation of the new Criminal Justice Strengthening Program. The Mission's ID/OD activities under this strategic objective also were extremely successful in increasing human rights awareness among 56,000 trainers and strengthening their capacity to provide training on the Constitution and Bill of Rights and on the rights of women, children, and the disabled. During 2000, the Mission's support contributed to citizens reporting 9,923 cases of human rights violations. Additionally, the Republic of South Africa, with the support of the Mission and other donors, demarcated new municipal boundaries, legally establishing 284 municipalities covering the entire national territory and promulgating major legislation to modernize municipal management.



### *Asia and the Near East—ID/OD Support for Democracy and Governance Goal*

ID/OD support under democracy and governance in Asia and the Near East Region is discussed for West Bank/Gaza and Mongolia.

In West Bank and Gaza, the Mission, with the support of the U.S. Department of Justice, provided customized training in management and administration of the judicial system to 25 judges. The Mission also provided technical assistance and training to two commercial banks, introducing new segments of the Palestinian economy to the formal banking system and demonstrating the viability and profitability of micro-lending to the banks. In addition, CSOs, strengthened through USAID support, continue to provide education and leadership training to citizens on civic participation and policy advocacy. Two of the participating CSOs targeted women.

Under Strategic Objective 2 (Consolidate Mongolia's Democratic Transition) USAID/Mongolia's assistance is focused on establishing the foundations for effective rural civil society in Mongolia. The Mission's support under Intermediate Result 1 assisted in the transformation of institutional, community, and individual behavior in rural Mongolia through improved communication to these areas. For example, the Gobi Regional Economic Growth Initiative is providing timely and reliable market price information and access to business support services. Additionally, through the Mission's support, the media is providing information on herding and breeding for quality livestock production and market information. The Initiative is also working closely with herders and breeders to form cooperatives.

### *Europe and Eurasia—ID/OD Support for Democracy and Governance Goal*

ID/OD support under the democracy and governance strategic goal was significant in transition economies of Europe and Eurasia. Examples of ID/OD activities under this goal in this region are discussed in the following paragraphs.

In Macedonia, the Mission provided strengthening support to CSOs through the Institute of Sustainable Communities. Its organizational development work with 23 NGOs, including training of trainers, allowed these NGOs to in turn train other NGOs. All trained NGOs will serve as a coalition to provide voter education and mobilization

and election monitoring. Additionally, assistance was provided to strengthen an independent media to respond to early drafts of law. USAID/Macedonia also provided assistance in drafting laws on local self-government. Five pilot cities undertook trial activities in local management activities.

Through its support to CSOs in Croatia, the Mission's work with political parties, labor unions, NGOs, and independent media contributed significantly to free and fair parliamentary and presidential elections in 2000, despite slow progress due to the legacy of autocratic socialism. USAID/Croatia's strengthening of civil society in Croatia included assistance in helping an independent media remain solvent.

The Mission also played a key role in improving the legal environment of the Croatian non-profit sector by providing an assessment and recommendations on the draft Law on Associations and training to a cadre of lawyers specializing in non-profit law. To assist the Government of Croatia in mobilizing support for reforms, USAID/Croatia provided training to the Government on public opinion research. Training was also provided to new members of Parliament in organization and strategy. Through the Urban Institute, the Mission also launched the Local Government Reform Program, with four partner cities serving as demonstration sites for improved governance.

Taking a regional approach in Georgia, the Mission's democracy and governance program supported the launch of the Local Governance Reform Initiative in five major cities. Georgia's regional focus promoted transparency, accountability, and participatory governance at the local level and fostered greater capacity to serve remote communities. For example, an NGO established a health center to serve five remote communities and is being sustained through monthly household contributions. USAID/Georgia's support also strengthened the Councils Association, resulting in a citizens' advisory committee now active in eight cities and advocating for services such as road repair at the local level. The Mission's technical assistance to Parliament and the Chancellery has resulted in draft laws on local self-governance and definitions of structure, functions, property, and financial responsibilities of local authorities.

USAID/Georgia's strengthening support to Georgia's Parliament, in collaboration with local authorities and the media, led to creation of media networks and revenue collection capacities. The Mission-funded first Conference of Judges, which advocates judicial reform,



provided support for judicial qualification exams of the 266 recently qualified judges, 105 of whom were women. Finally, USAID/Georgia's financial assistance to local NGOs strengthened their capacity to (1) foster transparency and accountability in local governments to support anti-corruption outreach and (2) provide practical experience to law students in handling indigent cases.

USAID/Romania's assistance helped Romania maintain a high level of political freedom. Local election administration, particularly in voter list accuracy, significantly improved over a four-year period. A strengthened election administration was evident, as thousands of Mission-funded election monitors declared elections fair and free.

Success also was realized under Strategic Objective 32 (Improve the Welfare of Children and Women in Romania). Through the Mission's assistance to community-based services, the number of children living in institutions decreased 24 percent, with 35,000 children receiving adoption services. This objective, directly linked to the Democracy and Governance Goal, was intended to address the effects of the communist pro-natalist policies. It resulted in establishment of innovative programs throughout Romania through the training provided to 58 child welfare leaders.

The Women's Health Coalition maintains high visibility through USAID/Romania-funded outreach. Between 1999 and 2000, contraception use increased 100 percent as a result of family planning and counseling training provided to 411 family doctors and nurses in family planning and counseling and family life education to 425 teachers. The overall results of USAID/Romania's assistance strengthened political will, with rural health and health financing reform now prominent in the Government's strategy.

ID/OD assistance for democracy and governance in Bulgaria included creation of a support and service provision infrastructure for grassroots NGOs. With this support, 13 NGOs can now serve as intermediary support organizations. These organizations are working with NGOs to strengthen democracy, increase economic growth, develop social safety nets, and protect the environment. In addition, the organizations funded more than 30 grassroots NGOs and provided training, assistance, and networking to hundreds of NGOs. As a result of the Mission's Local Government Initiative, the Government of Bulgaria drafted six municipal regulations, assessed draft laws, and addressed other policy reform topics. Sixteen local NGOs are now providing local government training, while building their own training capacity.

*Latin America and the Caribbean—ID/OD Support for Democracy and Governance Goal*

Consistent with the primary U.S. Government objective in Paraguay to promote democracy and governance, USAID/Paraguay's ID/OD interventions led to three successful, democratic elections. Because USAID assistance does not go through the central government in Paraguay and is not tied to bilateral cooperation agreements, the Mission had considerable programming flexibility in successfully implementing several programs. For example, local government in Paraguay now views participatory planning as a necessary role for local governments as a result of the Mission piloting the process in 17 municipalities. In addition, the National Secretariat of Reform is requiring all 224 municipalities to undertake participatory planning activities.

Paraguay's justice system is also undertaking several reform measures as a result of the Mission's penal reform program. The Supreme Court and Public Ministry training institutes are training judges and lawyers to implement new laws. The Public Defenders' system has been reorganized using manuals and procedures developed with USAID support, and two additional mediation centers were opened in 2000.

In the Dominican Republic, under Strategic Objective 3 (More Participatory, Representative, and Better Functioning Democracy), the Mission exceeded its election target of 7,000 monitors for the May elections by helping recruit, train, and field 8,600 Dominican election monitors. Further, Mission-funded NGOs are increasingly framing the political debates and receiving public accountability in the electoral process. Also under this objective (Intermediate Result 1.1-Strengthened Rule of Law), the Mission's funding of a pilot public defender's office resulted in representation of 6,585 criminal cases (well over its target of 4,000 cases). This intervention galvanized support for a National Public Defense System's bill, which USAID/Dominican Republic helped draft.

USAID/Guyana's ID/OD activities strengthened governance in Guyana by supporting increased citizen participation in promoting policy change. This support led to sustainable fair and free election processes. The Mission's advocacy efforts strengthened the Guyanese Women Lobby Party leaders, resulting in women now comprising nearly 31 percent of parliamentarians.

The Mission's criminal justice reform interventions in Ecuador increased collaboration among CSOs in promoting gender concerns and strong human rights.

In Colombia, 3,400 judges were trained in oral advocacy, legal evidence collection, and labor procedures, and 67 key figures within the Government's justice sector participated in oral procedure training programs at the U.S. National Judicial College in Reno, Nevada. Additionally, inspectors were trained in audit, collection, and tax treaty benefits, significantly increasing compliance with tax laws and increasing revenues by 40 percent in 2000. USAID/Columbia also supported training of 30 investigators from the Human Rights Unit of the Prosecutor General's office, 861 Public Defenders involved in human rights cases, and 84 officials from the Ombudsman's Office. Ombudsmen, in turn, multiplied the impact of this support by training 1,700 community leaders throughout Columbia.

### 3.2.3 Strategic Goal 3: Human Capacity Development

Although the Intermediate Results linked directly to USAID's human capacity development goal represent only 7 percent of Agency assistance, human capacity development through education and training were the inputs to many Intermediate Results under all other goals and in all regions. For example, the judiciary in Colombia was strengthened in advocacy, evidentiary, and labor procedures, which successfully impacted governance. Also in Colombia, the training of audit inspectors and tax collectors significantly increased revenues, thereby contributing to economic growth.

Other examples of human capacity development include the extensive training and education provided through the Mission's support in Egypt. In 2000, 1,062 Egyptians received one to three months of training in software applications certified by leading information technology companies. Moreover, 33 high-level managers from the private sector and the Government were provided six weeks of advanced executive training by a leading U.S. business school, and 23 candidates were enrolled in master's in business administration programs in the United States. Additionally, five economics seminars reached more than 2,100 Egyptian men and women. Although this strategic objective and its Intermediate Results are linked to the Agency's goal for economic growth, significant human capacity has been developed and fosters cross-sectoral impact.

USAID will provide \$1.8 million over three years to support a partnership between the University of Maryland and the National University of Rwanda. “It’s an important step in assisting the National University of Rwanda in restoring its standards of high-quality teaching and research capabilities. But this is not a one-way partnership—the University of Maryland will benefit greatly from the growing resources of the National University of Rwanda, to strengthen its teaching, research, and service.

*J. Brady Anderson  
Former USAID Administrator*

Thus, it is important to recognize that USAID’s human capacity development activities (education and training) cut across all of the Agency goals because of their broad impact on overall development. This is particularly notable given the growing body of research showing that “investment in education—particularly for girls—in the world’s poorest countries produces health benefits and high income returns” (Sperling 2001). Research further indicates that expanding secondary education for females is one of the most important factors in lowering the fertility rate, and that workers’ wages in poor countries increase from 10 to 20 percent for every additional year of education. Recent research in Zambia suggests that teenagers between the ages of 15 and 19 with a secondary education had a lower rate of the AIDS virus (Sperling 2001).

Although the above broad-based ID/OD results are milestones in human capacity development, the remainder of this section notes selected Operating Units’ strategic objectives that are directly linked to the human capacity development goal.

USAID/Ghana’s support to the education sector included strengthening the district education officers’ capacity in budgeting, planning, and monitoring in support of Ghana’s Quality Improvements in Primary Schools (QUIPS) program. This initiative also strengthened teachers’ capacity in 45 primary schools in 10 districts. Teachers from QUIPS are now preparing daily lesson plans and the entire curriculum.

To evaluate the effectiveness of USAID/Ghana’s support, achievement tests were administered in March 2000 and again in November 2000 to the same pupils from a control group (non-participants in the program) and a program-participant group. Despite the brief time between tests, results indicate that learning rates were higher for program participants than for non-participants in some subjects.

Another QUIPS success story evolved from interventions that targeted community leaders. After their initial activity under this program, communities were able to develop their own community school improvement plan and mobilize the resources to complete several projects. The program also was successful in mobilizing community interest and involvement in a small rural community: Parents previously disinterested in school activities began attending PTA meetings and paying school fees for their children.

In Malawi, Mission-supported training has improved the country’s capacities to deliver quality education. And in South Africa, Uganda, and Zambia, teacher training strengthened educators’ capacities to

provide quality education. Training provided to teachers and managers in Namibia strengthened their skills to manage and monitor school plans.

Namibia's education Strategic Objective 2 (Improved Delivery of Quality Primary Education to Namibian Learners in Grades 1–4 in the Most Disadvantaged Schools) directly links to the Agency's human capacity development goal. The Mission's ID/OD support under this strategic objective produced successes in 2000. The greatest of these successes was the production of new instructional and assessment materials in five of the country's indigenous languages, made available for grades 1–4 in 500 disadvantaged schools. Through their use of these materials, students' performances in math and environmental studies improved.

Through the Mission's efforts to increase access to market-oriented training for learners from disadvantaged communities in South Africa (Strategic Objective 2-Increased Access to Quality Education), progress was made toward Intermediate Results in several areas. For example, 97 South African students completed undergraduate and graduate studies in an array of disciplines, including engineering, science, medicine, teaching, economics, accounting, and law. Some of the graduates have joined the faculties at historically disadvantaged universities. In addition, the Mission's skill-based education provided opportunities for 2,048 adult learners in Agriculture and Small, Medium, and Micro-Enterprise programs. USAID/South Africa also met another higher education target in 2000: to enable 34 departments at disadvantaged institutions to revise their curricula to meet the South African Qualifications Authority.

In Egypt and Morocco, teacher training in new teaching methodologies, including learner-centered teaching methods and basic education practices, strengthened the capacity of educators to improve teaching and reach rural underserved populations, particularly girls.

In Honduras and Peru, training of educators facilitated improvements in primary and middle school education. In Peru, a national network for girls' education was established and implemented.

### 3.2.4 Strategic Goal 4: Population and Health

Programs in the health sector continue to be a large share of USAID's assistance under the population and health strategic goal. The Agency remains a lead donor in health reform in many



countries, focusing on the integration of rural health services into primary care, with an emphasis on child and maternal care.

The importance of investment in health to development assistance is well supported, with numerous studies documenting that a “a well-nourished, healthy, and educated population is the most basic investment that can be made in economic and social development” (UNICEF 1995, 45). Furthermore, the case can be made for advocating greater government expenditures in health.

At present, annual government expenditures in the developing world total about \$440 billion dollars, 10 percent of which is allocated to nutrition, basic health care, primary education, family planning, and clean water and safe sanitation for rural and peri-urban areas. “If that portion were to be increased to 20 percent...this would be enough to construct basic social safety nets, and to ensure that minimum human needs were met within a relatively short time”(UNICEF 1995, 45).

Examples of the benefits derived from ID/OD support of the population and health strategic goal are now presented. Successes are discussed by region.

### *Sub-Saharan Africa—ID/OD Support for the Population and Health Goal*

USAID/Ghana’s ID/OD assistance to the health care sector in Ghana included support for private non-profit health care providers. With the technical and administrative assistance they received, several organizations are now functioning as independent partners in reproductive health. In 2000, Mission support included strengthening the technical skills of health providers, who in turn trained over 1,000 front-line health workers to improve the quality of family planning services and other reproductive health services.

In Mali, USAID’s private voluntary organization (PVO) partners trained peer educators to work in and out of school with adolescents. Peer educators reached more than 600,000 youth with reproductive health information, commodities, and referral counseling. Collectively, the U.S. PVOs (Africare, CARE, Save the Children) and Groupe Pivot reported 53 percent immunization coverage, 45 percent tetanus toxoid coverage, and 71 percent assisted deliveries. These successes are largely due to PVOs providing village-level interventions, and, for the latter intervention, linking traditional birth attendants with Community Health Center training and supervision. CARE adopted the results of Save the

Children's nutrition positive deviance interventions; both organizations are expanding these interventions.

In 2000, the groundwork was laid for an integrated literacy training module and leadership training materials for and with NGO partners. Additionally, curricula were developed for two training manuals: one for peer education, including referral to health services, and the other to assist health service providers in better serving youth.

In Ethiopia, the Mission's ID/OD interventions are linked to the Agency's population and health goal. Activities focused on increasing the use of primary and preventive health care services and the availability of resources to the health sector, including access to modern contraception services. USAID/Ethiopia's assistance contributed to key results in these areas, including an increase in use of modern contraception from a 1995 baseline of 2 percent to 13 percent in 2000 and in the availability of condoms. The most profound result was an increase in the HIV Policy Environment Score, from 44.3 percent in 1998 to 55 percent in 2000.

Under Strategic Objective 3 (Reduce Fertility and the Risk of HIV/AIDS Transmission through Sustainable Integrated Family Planning and Health Services), important health interventions in Kenya continued to strengthen the health sector's capacity to deliver reproductive health services. For example, under Intermediate Result 1 (Non-USAID Financial Resources for FP/HIV/CS Increased) and Intermediate Result 2 (Increased Capacity of Public and Private Health Institutions to Finance, Plan, and Manage Resources), USAID/Kenya's strengthening inputs resulted in cost-sharing revenues rising 21 percent above the 1999 level.

### *Asia and the Near East—ID/OD Support for Population and Health Goal*

Over the last 10 years, Bangladesh has seen polio decline steeply, with success continuing under recent USAID/Bangladesh interventions. To that end, the Mission strengthened front-line health workers, which reduced incidence to 29 cases in 1999 and only 1 case in 2000. No new cases were reported in 2001.

Through Mission assistance, 57 clinics have been added to the private-sector network of health providers in the Philippines, contributing to achievement of Strategic Objective 3 (Reduced Fertility Rate and Improved Maternal and Child Health). While the contraceptive prevalence rate remained stable for modern methods at 32 percent, high-risk births decreased from 55 percent to 39.8 percent

and the percentage of fully immunized children increased from 64.5 percent to 65.2 percent from 1999 to 2000. The most significant result of USAID's assistance to the Government's Contraceptive Interdependence Initiative was the Health Department's budgeting for procurement of oral contraceptives valued at about \$1.7 million. This is a significant milestone in reproductive health in the Philippines, given religious opposition to the use of modern contraception methods.

Egypt's Strategic Objective 20 (Healthier Planned Families), targeting declines in infant mortality, links directly to the Agency's population and health strategic goal. USAID/Egypt's ID/OD assistance produced significant success under this objective's three Intermediate Results, across a broad range of the health index. One key success is the 29-percent decline in infant mortality, from 63 deaths per 1,000 live births in 1995 to 44 per 1,000 in 2000.

The Mission's health interventions produced other positive results, including:

- ❑ Fertility rates declined from 3.6 percent in 1995 to 3.5 percent in 2000.
- ❑ The percent of vaccinated children between 12 months and 23 months of age significantly increased, up from 79 percent in 1995 to 92 percent in 2000.
- ❑ Polio cases dropped from 35 cases in 1998 to 3 cases in 2000.
- ❑ Modern contraception use increased from 45 percent in 1995 to 54 percent in 2000.
- ❑ Professionally attended births increased from 46 percent in 1999 to 54 percent in 2000.

### *Europe and Eurasia—ID/OD Support for Population and Health Goal*

USAID's program in Romania includes strengthening community basic health services of 15 child welfare services in target counties. As a result, these community based entities are providing a range of mental and physical health services, including alternatives to institutionalization, crisis intervention, pregnancy counseling, and HIV services. U.S.-based training of 58 child welfare leaders resulted in innovative programs throughout Romania. Additionally, a Social Worker Code of Ethics and Foster Care Standards, developed with USAID/Romania funds, were approved by the National Agency for the Protection of Children's Rights and adopted into legislation.



### *Latin America and the Caribbean—ID/OD Support for Population and Health Goal*

Under Brazil's Strategic Objective 3 (Increased Sustainable and Effective Programs to Prevent Sexual Transmission of HIV Among Major Targeted Groups), USAID/Brazil provided financial and technical assistance to the health sector to combat AIDS. Under Intermediate Result 1 (Strengthened Institutional Capacity to Plan, Implement and Evaluate STD/HIV Programs) of this strategic objective, nine states and municipalities were trained in the annual planning process. Because the annual plans these entities submitted were far superior to those of the state and municipal health agencies that did not receive training, Brazil's Ministry of Health asked USAID to expand training and established this process as the model for all 177 decentralized agencies. Under Intermediate Result 2 (Strengthened Institutional Capacity to Provide Integrated Reproductive Health and STD/HIV Services) of this objective, 20 selected public health units were assisted in integrating quality Sexually Transmitted Disease/HIV health services into the larger reproductive health programs of health departments.

#### 3.2.5 Strategic Goal 5: Environment

ID/OD support for the Agency's environment goal is found under 36 strategic objectives with ID/OD Intermediate Results worldwide—15 percent of all strategic objectives with ID/OD Intermediate Results. Fourteen of these interventions were undertaken in the Latin American and Caribbean Region. Discussion now turns to a region-by-region review of ID/OD interventions in support of the environment goal.

### *Sub-Saharan Africa—ID/OD Support for Environment Goal*

With USAID/Madagascar's support, Madagascar is transferring management of nine classified forests to local communities. The number of communities participating in conservation activities increased by 71 percent, as empowered local communities embraced sustainable use of forests. Additionally, improved agricultural practices increased by 52 percent those participating in conservation.

USAID/Tanzania collaborated with over 20 government and non-governmental national resource management institutions in its ID/OD assistance under Strategic Objective 2 (Improved

Conservation of Wildlife). As a result of this assistance, these institutions are now leading the way for policy reform of natural resource management. In addition, national park managers have improved management functions and successfully institutionalized better practices.

The Tanzania Mission's support in strengthening ecological monitoring, law enforcement, and community conservation contributed to better ecosystem health. The most significant results are animal population data indicating that parks are remaining ecologically robust, with data showing a 19-percent increase in the elephant population and a 31-percent increase in buffalo numbers over the 1998 data. Both sets of data point to a recovering population in each species. Achievements under Intermediate Result 2.1 (Environment Natural Resource Management Policy Index) include the finalization of the Integrated Coastal Management Policy and refinement of the critical Wildlife Conservation Act Guidelines.

USAID/Malawi's ID/OD support under Strategic Objective 2 (Increased Sustainable Use, Conservation and Management of Renewable Natural Resources, Intermediate Result 2.4) improved capacities of communities to adopt improved natural resource management practice. The planned target of 100 communities was exceeded, with 171 communities adopting conservation and management practices, such as establishing communal tree planting and wood lots and protecting natural forests.

### *Asia and the Near East—ID/OD Support for Environment Goal*

USAID/Philippines' support for sustainable fishing in the Olango Island near Cebu City produced significant impact. In 1998, the fishing resources were severely depleted from dynamite fishing and the catch was insufficient to feed families in the area. With the Mission's support, the villages now manage the 15-hectare Gilutongan Island marine sanctuary in the island reef complex. Dynamite fishing has stopped and large commercial boats are barred from entering the reserve and surrounding waters. As a result, fishing yields, community earnings, and tourist revenues increased.

Also in 2000, improved coastal resources management was implemented in 669 kilometers of shoreline spanning 76 local governments. Best practices and lessons learned from these sites have been replicated throughout the Philippines. Further, as a result of USAID/Philippines' support, significant increases in fish abundance since 1998 indicate a reversal in the degradation and depletion of marine

resources and the restoration of the food chain in these managed areas. The Coastal Resource Management Plan, to be replicated nationwide, calls for 250 local government units to adopt integrated coastal management in managing 6,000 kilometers of coastline and rehabilitating 2,000 hectares of mangroves and 25,000 hectares of coral reefs.

USAID/Egypt-supported activities under Strategic Objective 19 (Improved Management of the Environment and Natural Resources in Targeted Sectors) helped increase public- and private-sector investment in environmental best practices and technologies and the privatization of key services. Significant results under this objective include Egypt's first solid-waste management privatization contract in Alexandria, which will improve the lives of four million residents. Another milestone under this objective is the curtailment of the largest lead smelter in the country, reducing airborne lead by 50 percent in northern Cairo.

### *Europe and Eurasia—ID/OD Support for Environment Goal*

USAID/Romania provided ID/OD assistance to the Government of Romania in developing a white paper on the status of energy legislation, regulation, and codes. This support contributed to establishment of a Romanian Agency for Regulations in the Energy Field, thereby accelerating industry restructuring.

Another success story is the Mission's technical assistance to support a partnership between the United States and the Romania's power regulatory agency. With USAID/Romania's support, a share of electricity was devolved from the state monopoly; further, the National Regulatory Agency for Energy was transformed into a sustainable, regulatory body. This marks a major improvement in energy efficiency in Romania and opens the door for private investment. With the Mission's help, the energy sector proved its capacity to issue and pass enabling legislation and its adherence to transparency in issuing licenses and tariffs. The energy efficiency program saved \$10 million, surpassing USAID/Romania's target of \$4 million.

### *Latin America and the Caribbean—ID/OD Support for Environment Goal*

USAID/Ecuador's strengthening of 61 indigenous local partners was instrumental in mobilizing \$2 million in non-USAID funds for biodiversity conservation.

USAID/Paraguay's support to private land reserves resulted in official recognition of two private reserves managed by a local NGO in 2000. The Mission also is supporting a new private reserve that protects an important ecozone between forested and wetland regions.

Implementation of conservation plans were initiated in four important private reserves. As a result of USAID's support for strategic plans addressing threatened lands, three ecoregional conservation plans (Chaco dry forest, interior Atlantic rainforest, and Pantanal wetlands) were jointly developed with the Secretariat of the Environment in 2000. This initiative is a critical step in protecting Paraguay's remaining forest cover, which is disappearing by 10 percent each year and is experiencing the world's highest rate of deforestation.

### 3.2.6 Strategic Goal 6: Humanitarian Assistance

Although not an explicit component of humanitarian assistance, an example of indirect ID/OD support for this goal is found in a USAID/Georgia initiative. This effort supported five United States-Georgia partnerships in delivering health education programs while providing needed health care. The program strengthened professional support for the focus on primary health care as a means of improving overall health care services.

Another example of ID/OD support for humanitarian assistance is found in Belarus, where the Mission-supported National Emergency Medical Services Training Center provided health courses. The Centers' 80-hour courses for health professionals and shorter courses for first responders strengthened capacities for emergency health services.

Brief descriptions of results from other ID/OD interventions in support of the humanitarian assistance goal are provided below.

- ❑ Under Strategic Objective 5 (Food Security, Intermediate Result 5.5—Emergency Response Capacity Maintained), USAID/Ethiopia's timely delivery of food valued at \$315 million prevented mass migration.
- ❑ Under its Strategic Objective 1 (Capacities for Peace Maintained), USAID/Sudan provided three ID/OD interventions. First, civil society/civil authority partnerships were established, replacing military rule. Second, local partnerships were trained in organizational policy, resulting in partnerships with resources, authority, and influence in

Sudanese governance. And, finally, local authorities were trained in leadership, community development, humanitarian principles, functional literacy, and basic fiscal management, with on-going training shifted to Sudanese training institutions.

- ❑ Under USAID/Uganda's Strategic Objective 6 (Improved Foundation for Reintegration of Targeted Areas of Northern Uganda, Intermediate Result 6.2—Increased Household Security)], attention to food security resulted in 13,000 children enrolling in alternative basic education, 68 percent of whom were girls.
- ❑ Under Strategic Objective 34 (Mitigation of Adverse Social Impacts of the Transition, Intermediate Result 34—Improved Mobilization, Allocation, and Use of Social Assistance and Health Care), USAID/Armenia's assistance met expectations, with several basic services now in place.
- ❑ Under Strategic Objective 13 (Northern Border Development, Intermediate Result 13—Civil Society Strengthened to Respond to Local Needs), USAID/Ecuador's support is in the development stage.

### 3.2.7 Conclusion for Hypothesis Two

The data indicate that ID/OD support cuts across the Agency's six strategic goals in countries in all four regions. ID/OD support is distributed among the strategic goals as follows: economic development, 26 percent; democracy and governance, 25 percent; human capacity development, 7 percent; population and health, 17 percent; world environment, 15 percent; humanitarian assistance, 4 percent; and multiple goal areas, 6 percent.

## 3.3 ID/OD Support Provided to Public, Private For-Profit, and Private Non-Profit Sectors

The discussion that follows examines how the data support this study's third, and final, hypothesis, which is:

*ID/OD support is provided to the public sector, private for-profit sector, and private non-profit sector, consistent with program objectives.*

Tables 7 through 11 demonstrate the involvement of all three sectors in ID/OD activities across all of the Agency's strategic goals.

**Table 7. Distribution, by Strategic Goal, of Strategic Objectives with ID/OD Intermediate Results among Three Sectors**

Agency Goal Area	Public Sector	Private For-profit	Private Non-profit
Economic Growth	55	47	48
Democracy & Governance	54	31	32
Human Capacity Development	16	9	11
Population & Health	39	24	25
Environment	33	25	26
Humanitarian Assistance	8	6	6
Multiple Goals or NA	16	14	15
Total Operating Unit Objectives	221	156	163
Percent by Sector	41	29	30

### 3.3.1 Distribution of Strategic Objectives with ID/OD Intermediate Results among Three Sectors

Table 7 illustrates the distribution, by strategic goal, of strategic objectives with ID/OD Intermediate Results to the public sector, private for-profit sector, and private non-profit sector. The table shows a relatively balanced distribution of engagement with each sector in the achievement of ID/OD results: public sector (41 percent), private-for-profit sector (29 percent), and private non-profit sector (30 percent), with a slightly higher level of activity shown in the public sector. For all three sectors, the greatest number of strategic objectives with ID/OD Intermediate Results occurs under the economic growth and democracy and governance strategic goals. This is largely explained by the high level of ID/OD activities in these goal areas. For example, under the economic growth goal, the data reflect the high involvement of all three sectors in small- and medium-enterprise activities in many countries. Under the democracy and governance goal, the data reveal the participation of all three sectors in policy reform and constituency-building activities.

**Table 8. Distribution of Intermediate Results to Public Sector**

Region/Global Office	Intermediate Results with Public Sector ID Component	Percent of Total Intermediate Results with ID Component
AFR	182	30
ANE	65	11
EE	112	18
LAC	125	21
Central	44	7
Total	528	

### 3.3.2 Distribution of ID/OD Intermediate Results to Public Sector

Table 8 shows the distribution of all 528 ID/OD Intermediate Results within the public sector; this distribution is then reflected as a percentage of



all Intermediate Results with an ID/OD component. Data are broken out by regional and central bureaus.

### 3.3.3 Distribution of ID/OD Intermediate Results to Private For-Profit Sector

Table 9 illustrates the distribution of ID/OD Intermediate Results to the private for-profit sector. This distribution is then presented as a percentage of all Intermediate Results with an ID component. Data are broken out by regional and central bureau.

Region/ Global Office	Intermediate Results with Private Sector ID Component	Percent of Total Intermediate Results with ID Component
ANE	42	7
AFR	120	20
EE	63	11
LAC	90	15
Global	34	5
Total	349	

### 3.3.4 Distribution of ID/OD Intermediate Results to Private Non-Profit Sector

Table 10 displays the distribution of ID/OD Intermediate Results to the private non-profit sector. This distribution is then presented as a percentage of all Intermediate Results with an ID (institutional development) component. Data are broken out by regional and central bureau.

Region/ Global Office	Intermediate Results with Private Sector ID Component	Percent of Total Intermediate Results with ID Component
ANE	42	7
AFR	124	20
EE	63	11
LAC	90	15
Global	44	7
Total	363	

### 3.3.5 Distribution of Intermediate Results Involving All Three Sectors

Table 11 presents the number of ID/OD Intermediate Results that contain all three ID types (public, for-profit, and non-profit sectors). This distribution is also reflected as a percentage of total ID/OD Intermediate Results. Data are broken out by regional and central bureau. The following section discusses the areas and levels of ID/OD involvement with all three sectors, by region.

#### *Sub-Saharan Africa*

USAID/Madagascar's work with all three sectors to address absolute poverty (households below the official poverty level) is a model for development. The Mission's

Region/ Global Office	Intermediate Results	Percent of Total ID Intermediate Results
AFR	45	7
ANE	10	2
E&E	25	4
LAC	18	3
Global	26	4

ID/OD assistance under its Special Program Objective (Improved Environment for Private Initiative) contributed to an estimated 9.5-percent growth in firms in the private sector, indicating that the environment for private initiative is improving. USAID/Madagascar also was successful in strengthening the ability of CSOs to effectively interact with local government.

USAID/Namibia established productive partnerships with that nation's Ministries of Education and Labor, several municipalities, and numerous NGOs. Under its Strategic Objective 1 (Accelerated Private Sector Growth), the Mission's ID/OD support is designed to catalyze growth of the small and medium enterprise sector, thereby creating new jobs and sources of income for historically disadvantaged Namibians. The Mission's attention to strengthening the quality and outreach of business services, improving access to business information and new markets, and identifying opportunities for Namibian value-added activities indicates its involvement with all sectors of Namibia's economy.

Under its Strategic Objective 2 (Increased Sustainable Use, Conservation, and Management of Natural Resources, Intermediate Result 2.1-Comprehensive Policy and Legislative Framework Established), USAID/Malawi worked with the Government of Malawi in drafting legislation for environmental management. Under Intermediate Result 2.4 (Capacity of Communities to Manage Natural Resources Improved), USAID/Malawi facilitated collaboration between the Government of Malawi and Community Partnerships for Sustainable Resource Management.

Under Strategic Objective 1 (Increased Rural Household Income), USAID/Mozambique assisted 27,483 rural Mozambique households with enterprises to promote diversification of marketable crops. As a result, the private non-profit sector developed stronger CSOs, as evidenced by their management effectiveness increasing from 6.5 to 8.8 (on a 1-12 index). The Mission also strengthened a privatized seed company through technical advice to produce and sell seeds to small and medium producers.

### *Asia and the Near East*

USAID/Egypt collaborated with NGOs, the public sector, key private-sector leaders, and other institutions interested in improving the quality of Egypt's workforce and enacting private-sector reform. Mission activities included its work with the Harvard Business School's Senior Executive training program for private and public



executives, which is offered in Egypt and the United States to increase participants' awareness of globally competitive practices.

The Mission in West Bank/Gaza provided targeted ID/OD assistance to key export-industries associations and Palestinian high technology firms through its Market Access Program. It also supported courses for students at national universities, NGO micro-credit lending institutions, and commercial banks. The Mission's support to the Palestinian Monetary Authority promoted the adoption of international bank supervision standards to ensure regulatory compliance.

ID/OD assistance provided by USAID/Bangladesh produced achievements with all three sectors. The Mission's ID/OD support to the Government's Health Department contributed to a variety of successes through its maternal and child health programs. Its strengthening support of NGOs' service delivery capacities exceeded targets in program growth and service improvements. And, finally, the Mission's success in facilitating commercialization of the energy sector is evident in the Government's increasing openness to private investment in the power sector.

USAID/Mongolia's support strengthened national capacities through its work with all three sectors in Mongolia. Its ID/OD interventions provided assistance to the Government's privatization strategy in the privatization of three major industries. Mission assistance to the Government of Mongolia resulted in its establishing a new pension reform law and a new law to restructure the energy sector. The Mission's Gobi Regional Economic Growth Initiative, under Strategic Objective 2 (Consolidate Mongolia's Democratic Transition), is providing market price information and access to business support services, reaching over 100,000 households through its publications. Under Intermediate Result 2 (Electoral System Strengthening) of this objective, USAID/Mongolia worked with the Voter's Education Center, a Mongolian NGO, in compiling platform issues to inform voters.

USAID/Jordan strengthened national capacities by working with all three sectors. Under its Strategic Objective 2 (Improved Water Resources Management, Intermediate Result 1-Strengthening Water Institutions), ID/OD support included training 74 people in private-sector approaches to water infrastructure and management. Documents were tendered for a private management contract of the Wadi Mousa project and consensus was reached with the Government of Jordan on project financing. Mission

support to the Government's health sector involved assistance to 380 health centers across Jordan, support for NGOs, and training of health care professionals.

Under its economic growth strategic objective, USAID/Morocco achieved success under its Intermediate Results by working with the Government of Morocco in implementing policy reforms. Additionally, a Mission-supported micro-finance NGO encouraged the Government to commit new funds to the micro-finance sector, which has contributed to the growth of small private enterprises.

### *Europe and Eurasia*

USAID/Bulgaria achieved notable development results in its work on Coalition 2000 through public-private partnerships to address corruption in customs and illegal trafficking. This intervention contributed to strengthening customs regulations to eliminate these illegal practices in Bulgaria. Through the Mission's assistance, the NGO law was established, with tax amendments to support the sector's development. USAID/Bulgaria also helped business associations craft a legislative agenda to improve the business environment and assisted the banking sector in expanding financing to small and medium enterprises. In addition, USAID/Bulgaria sponsored training for 10 Parliament members and ministry officials in drafting amendments to NGO tax legislation. Finally, the Mission's Parliamentary Internship Program was recognized by the Government of Bulgaria, and lauded by its President, as significantly contributing to the training of future leaders.

USAID/Armenia linked downstream activities with upstream policy reform through its work with all three sectors. For example, under its Strategic Objective 3 (Growth of a Competitive Private Sector), the Mission worked with the Government of Armenia in promoting macro-level policy and institutional changes, while providing credit, technological assistance, and training to selected sectors and firms.

With USAID/Russia's ID/OD support, CSOs, NGOs, and networks became increasingly effective advocates for citizen views. In 2000, NGOs in regions targeted by USAID/Russia participated in policy dialogue with local authorities. The Mission also is supporting development of public-private partnerships in four pilot cities to guide decision making on municipal investments, policies, and services.

*Latin America and the Caribbean*

USAID/Brazil's energy program is designed to support the involvement of the Government of Brazil and key public and private actors in the energy sector to ensure national ownership of clean energy production. Under the Mission's ID/OD support in FY 2000, the Energy Training and Outreach Program delivered training workshops for about 400 participants from 230 firms, the public sector, universities, and NGOs. These activities increased the commitment and involvement of these stakeholders in the energy sector, and particularly the private sector in efficient energy production.

USAID/Bolivia's ID/OD interventions cut across all three sectors through its work with a network of NGOs, a broad spectrum of public-sector representatives, and private micro-finance institutions. A public education campaign on the Code of Criminal Procedures reached two million Bolivian citizens, one quarter of its population, with an additional 400,000 citizens reached through NGOs. This intervention also provided Code training to over 3,000 officials in the judicial sector. In addition, USAID/Bolivia funded creation of an Association of Women Council Members. Finally, the Mission's program in forestry facilitated strategic alliances between community and industry.

Mission ID/OD assistance in the Dominican Republic in 2000 included working with the public and private sector to develop a multi-sector National Competitiveness Strategy. As a result of this support, the private sector began adopting strategies to improve competitiveness in the fruit and vegetable markets. In response to assistance provided by USAID/Dominican Republic in restoring power to more than 10,000 rural, poor Dominicans in the wake of Hurricane George, the public and private sectors and the NGO community formed a partnership to manage energy resources through cooperatives.

The Central American Program addresses regional issues in the environment, trade, and HIV and other infectious diseases. For example, the program worked with Central America's labor ministers through PROALCA (USAID's Program for Supporting Central America's Participation in the Free Trade Area of the Americas) to expand trade and move domestic policies toward more open trade.

Through USAID assistance under Strategic Objective 2 (Increased Effectiveness in Regional Stewardship of the Environment and Key Natural Resources in Target Areas), a public-private forum was created in Guatemala. In Panama, a permanent Consultative Council was established by the Government and private sector to facilitate the participation of communities, local and national authorities, and NGOs in natural resource decision making. The regional environment program, PROARCA (the Central America Environment Program) also strengthened the Panamanian Fishing and Conservation Agency and a local NGO. In addition, the PROARCA program continued to work through NGOs and Government agencies in natural resource management efforts, including establishment of a tri-national biological corridor for the Gulf that is endorsed by three countries.

ID/OD support in Honduras concentrated on the public and private non-profit sectors. USAID/Honduras' environmental assistance included training for the Government of Honduras and NGOs and financial support to micro-finance NGOs. Moreover, the Mission provided business development services to women's groups in three cities. And under a program supported by USAID/Honduras, 16,041 farmers received land titles. An umbrella NGO, supported by the Mission, contributed to putting judicial reform on the constitutional agenda.

USAID/Paraguay emphasized ID/OD support that targets the public sector and private non-profit organizations. To that end, it worked across both sectors with key ministries, including Finance, Health, the Supreme Court and the Attorney General, and the Secretariat of the Environment. The Mission supported local governments in participatory planning processes, as well as a broad spectrum of NGOs, including a coalition of environment-focused NGOs. Additionally, through USAID/Paraguay's direct support, an environmental network of private organizations is lobbying the Government of Paraguay to preserve the environment and protect valuable park areas from expropriation.

The Mission's support also focused on strengthening local governments' technical capacities and environmental awareness. Until 1995, few private non-profit organizations focused on the environment. Now, new private non-profit organizations are assuming leadership roles in developing an active civil society that participates with the Government in important environmental decisions.

Strengthening NGOs and civil society is emphasized throughout all of the Mission's activities, and Paraguay's strengthened NGO sector is considered a success story. The Moises Bertoni Foundation, founded in 1989, was the first environmental NGO created to work with an entrepreneurial-based approach. With USAID's support, particularly since 1995, the foundation is now the leading organization in environmental issues in Paraguay. In addition, USAID's \$2.4-million investment over the life of the foundation leveraged \$16 million, roughly seven times its total investment.

In Guatemala, the Mission's ID/OD activities involved cross-sectoral participation with government, private non-profit organizations, and civil society. For example, USAID/Guatemala aided the Government in developing a strategy to combat forest fires, which had decimated one-third of the Maya Biosphere Reserve in 1998, and integrated NGOs and community cooperatives into conservation and development programs. Advances in Peace Accord commitments resulted in part from the Mission's work with the Government. Additionally, the Education and Health Ministries made progress in expanding services and increasing access to education and health services, in part through the support of USAID/Guatemala.

### **3.3.6 Conclusion for Hypothesis Three**

All three sectors are involved in ID/OD, as follows: 41 percent, public sector; 29 percent, the private for-profit sector; and 30 percent, the private non-profit sector. Activities in support of the economic growth and the democracy and governance goals capture the majority of ID/OD involvement in all three sectors. Twenty of the total ID/OD intermediate results in the Agency's four geographic regions simultaneously involved all three sectors in ID/OD interventions.





# Types of ID/OD Capacities Being Developed: A Closer Look

USAID uses a variety of interventions to build a range of ID/OD capacities. ID/OD activities supported by USAID include short- and long-term technical assistance for advisory services and transfer of technical skills, training, and educational development. ID/OD support is also provided through direct financing for policy reform; commodities and technological resources; mentoring relationships; opportunities for formal study in the host country, the United States, or third countries; and internships with other organizations. Through these interventions, USAID has built capacity in several ways. This chapter typologizes the capacities that are being built with USAID assistance.

## 4.1 Distribution of ID/OD Interventions

In preparing this report, researchers categorized, coded (see Annex 2), and entered ID/OD capacities into a Microsoft Excel spreadsheet. Analysis of these data revealed that the majority of ID/OD interventions in FY 2000 sought to strengthen the following capacities:

- ❑ Governance—42 percent (15 percent focused on sectoral policy reform and 27 percent on other governance areas, such as constituency building, national leadership, and decentralization);
- ❑ Private-sector-led growth—25 percent (19 percent private-sector policy, and 6 percent other private-sector interventions, including support for income-generating activities, access to markets, and micro-, small-, and medium-enterprise growth);
- ❑ Service-delivery capacities—14 percent; and
- ❑ Management capacities—7 percent.

A few observations on these data deserve mention. First, the above percentages total 88 percent; the remaining 12 percent comprise ID/OD interventions in categories unrelated to capacities, such as direct financial support for projects. Second, policy-reform capacities were identified separately under governance and private-



sector interventions because both sectoral and pro-poor macroeconomic policies are key to creating an environment that supports sustainable democratic governance and growth led by the private sector. Third, although only 6 percent of all ID/OD capacity-building interventions, income-generating activities in the private sector are notable because they significantly increased employment opportunities.

As a general comment, it was difficult to categorize and code ID/OD interventions in terms of capacity types because many of the interventions address several of the coded areas or overlap with other

areas. Thus, the interventions were categorized based on their area of greatest impact. Table 12 illustrates the distribution of ID/OD support in USAID's four Regions. For example, Namibia's leadership skill-building of its National Council, categorized under *Governance—Leadership*, addresses sustainability issues as well. While the ID/OD support directly

**Table 12. Capacity Strengthening IRs by Region**

Capacity Type	AFR	ANE	EE	LAC	Totals	Percent
Governance/Policy Reform	31	10	24	40	105	15
Governance/Other	61	33	38	53	185	27
Private Sector/Policy	46	38	39	10	133	19
Private Sector/Other	7	15	13	7	42	6
Service Delivery	47	19	11	19	96	14
Management	27	11	5	8	51	7
Sustainability	25	4	4	28	61	9
Other (HRD, External Relations)	6	5	0	1	12	.2

strengthened Government leadership, the indirect result was the Government of Namibia's commitment to institutionalize and therefore sustain the program.

## 4.2 ID/OD Interventions to Strengthen Governance

### 4.2.1 Governance Defined

Before examining interventions under each governance sub-category, key terms are defined to explain how capacities were categorized. Although the concept of governance has been frequently discussed in the political and academic arenas for many years and understood as the task of running a government, it has more recently acquired a broader meaning. For example, the working definition used by the British Council emphasizes that the term *governance* has a broader meaning than government, stating:

Governance refers to a process whereby elements in society wield power, authority and influence and enact policies and decisions concerning public life and economic and social development. Governance is a broader notion than government (whose principal elements include the constitution, legislature, executive and judiciary). Governance involves interaction between these formal institutions and their spokesmen, and civil society (British Council 1999).

A subsequent article that cites this source credits Goran Hyden's contribution to the discussion, recognizing governance as an "umbrella concept" that emphasizes "the creative potential of politics, especially with the ability of leaders to rise above the existing structure of the ordinary, to change the rules of the game and to inspire others to partake in efforts to move society forward in new and productive directions." (Governance Barometer). The umbrella concept of governance defined in this article and that Hyden expands on is broadly supported in the literature and provides the rationale for the following *governance* sub-categories:

*Governance—Policy and Structural Reform* is supported by Hyden's elaboration that "governance involves creative intervention by political actors to change structures that inhibit the expression of human potential" (Governance Barometer).

*Governance—Civil Society Participation Strengthened* is supported in a World Bank Report indicating that the term *governance* means "fostering grassroots and non-governmental organisations such as farmers' associations, co-operatives, and women's groups" (1989).

*Governance—Strategic Partnerships Supported*, as meant in this use, draws on the following definition: "Governance refers to particular types of relationships among political actors: that is, those which are socially sanctioned rather than arbitrary" (Governance Barometer). Capacity-building interventions to strengthen strategic partnerships include governments' partnerships with CSOs and NGOs in planning and managing health, education, and natural resource management projects

*Governance—Leadership Strengthened*, in this analysis, refers to the capacity of government leaders to ensure "Good governance ... epitomized by predictable, open and enlightened policy-making, a

civil society participating in public affairs” (Governance Barometer). ID/OD interventions to strengthen leadership address government leaders’ capacities to manage change and transition processes, undertake effective policy analysis and decision making, and ensure social equity through civil society participation.

*Governance and Decentralization* are inseparable processes in determining “the most appropriate roles, functions, structures, staffing and financing arrangements for central and local government agencies to enable them to effectively operate in a decentralized environment” (UNDP/Thailand 1998).

*Governance and Sustainability* “are intimately tied together. The future role and architecture of institutions, from local to international levels, will be crucial determinants of whether future policy and programmes for sustainable development will succeed” (UNED 2002). In the broadest sense, the term *sustainability* “refers to the ability of a society, ecosystem, or any such ongoing system to continue functioning into the indefinite future without being forced into decline through the exhaustion or overloading of key resources on which that system depends (Gilman 1992). While all ID/OD interventions strive to include sustainability, in this analysis strengthening interventions that directly target sustainability are coded under this sub-category. For example, these interventions include the financing of needed resources during early implementation to allow a project to become institutionalized.

#### 4.2.2 Governance—Policy and Structural Reform

Capacity building under *Governance—Policy and Structural Reform* include strengthening the legal framework (laws and regulations) and making structural changes (e.g., macro-level changes in processes, procedures, and practices). Illustrations of capacity building in this category are as follows:

- ❑ Development of the rule of law and a new criminal procedures code resulted in the Government of Bolivia committing to fully implement the new code.
- ❑ Key reforms to ensure the rule of law in Nicaragua helped the Government modernize the administration of justice, resulting in establishment of a Public Defender’s Office and Public Ministry; the support also strengthened civil participation in 25 municipalities.
- ❑ Jamaica’s policy environment in reproductive health increased the policy environment score for youth from 54.4 percent in 1999 to 59.7 percent in 2000.

- ❑ A land survey in Paraguay led to the biosphere reform of over 6 million hectares, which will be the largest biosphere reserve in the Western Hemisphere.
- ❑ Wastewater management in Jordan resulted in a policy on reuse of wastewater that is essential for water management.
- ❑ Reproductive health interventions in the Philippines produced health policy reform and Government allocation of resources for contraceptives.
- ❑ Ghana's QUIPS program strengthened education policy
- ❑ USAID support for development and adoption of cross-sectoral policies in the Dominican Republic resulted in adoption of six key policies or laws and decentralization of health services.

#### 4.2.3 Governance—Civil Society Participation Strengthened

Civil society includes NGOs, other civil society constituencies (such as women's groups), and communities. Interventions to strengthen civic participation capacity include the following:

- ❑ Support for 259 NGOs in 23 governorates in Egypt included training in advocacy, networking, and management of development activities.
- ❑ Support to Jordan's Economic Consultative Council (the driving force behind economic reforms, chaired by King Abdullah II) led to the establishment of Quality Councils in 12 governorates.
- ❑ Support for 50 town hall meetings in West Bank/Gaza targeted the Palestinian Council (the only forum for non-violent debate) and 6 Palestinian CSOs, one of which was comprised of women.
- ❑ Support for media outreach in Mongolia to 100,000 households strengthened and improved civil access to information; support for the formation of herder groups resulted in the founding of 24 groups with improved herd management practices; support for local government resulted in rural *aimags* (villages) working with civil society.
- ❑ Support for grassroots involvement of Bangladesh communities in setting a common local agenda increased civil society initiatives from 992 in 1999 to 1,112 in 2000.
- ❑ Support for involvement of CSOs in Romania strengthened NGOs support for election process.
- ❑ Support in Croatia for local government reform and civic participation through mobilization of 7,000 volunteer election monitors was pivotal in the strong election turnout.

- ❑ Support for 20 town hall meetings in Armenia as start-up activities to increase grassroots participation resulted in citizen action to resolve 50 community problems in 2000.
- ❑ Support for civil society interventions in Georgia resulted in Citizens Advisory Committees becoming active in eight cities; additional support includes advocating for services such as road repair.
- ❑ Support through a grant to an NGO resulted in 8,600 civil participants monitoring election results in the Dominican Republic.

#### 4.2.4 Governance—Strategic Partnerships Supported

Capacity building for partnering included working agreements among government, NGOs, private for-profit agencies, and citizens.

- ❑ Support for partnerships in the Philippines with civil society in natural resource management practices resulted in improved biodiversity management in Olango Island, Cebu.
- ❑ Support to NGO partnerships in Bangladesh resulted in capacities to deliver family health in 24 static clinics, 10,335 satellite clinics.
- ❑ Support of strategic partnerships in Ghana among 40 partners from the public sector, donor communities, NGOs, and the private sector resulted in cooperation on land management and diverse natural resource management practices.
- ❑ Support for the management of the West Africa Gas Pipeline produced a regional partnership in Ghana among four neighboring countries.

#### 4.2.5 Governance—Leadership Strengthened

Examples of ID/OD support to strengthen leadership, another *governance* capacity, are presented below.

- ❑ Support to strengthen business leaders in Eritrea, by sending a delegation of Eritrean business leaders to a convention in Morocco resulted in the successful negotiation of \$675,000 of Eritrean leather exports to markets in Africa and Europe.
- ❑ Support to strengthen the leadership of Mozambique's legislature provided the Government of Mozambique with important experience in public, transparent campaign funding; this support resulted in major political parties accounting for 100 percent of all monies received from the campaign finance fund, established by the Parliament.

- ❑ Support to Namibia's National Council strengthened its capacity to foster regional participation in the legislative process and increased responsibility and ownership by the Parliament for the Mission's skills-building program. As a result, the National Assembly of the Government of Namibia committed substantial funds to sustain the program.

### 4.3 ID/OD Capacity Building to Support Private-Sector-Led Growth

#### 4.3.1 Private-Sector-Led Growth—Policy and Structural Reform

Several ID/OD interventions across regions built capacity to address structural and policy issues that constrain growth led by the private sector, as the following examples demonstrate:

- ❑ Support for policy reform in business facilitated Jordan's accession to the World Trade Organization in 2000 and increased company registrations, which were 4,351 above target.
- ❑ Support for economic policy reform in Mongolia facilitated privatization of state-owned enterprises (such as Gobi Cashmere) and restructuring of the energy sector.
- ❑ Support for banking reform in Romania resulted in improved bank regulations and greater transparency; support for the energy sector created an enabling market environment through restructuring and legislation and leveraging a \$45-million grant from the European Union's policy fund.
- ❑ Support to Bulgaria's financial regulatory sector resulted in 400 bank inspections, with 80 securities violations reported.
- ❑ Support in Croatia for commercial law reform focusing on land registry resulted in the elimination of land registry backlog.
- ❑ Support in Armenia contributed to policy-level reforms, including 100 percent adoption of International Accounting Standards and passage of a new Customs Code, which reduced the average time to clear customs by 27 percent.

#### 4.3.2 Private-Sector-Led Growth—Micro-enterprise and Other Income-Generating Activities

Private enterprise growth and employment-generating opportunities were created through capacity building of micro-loan institutions. These efforts resulted in the following successes:



- ❑ The value of micro-enterprise loans from NGOs in West Bank/Gaza reached \$12.4 million, against a target of \$11.8 million; 3,762 micro-loans were provided, with a 98-percent payback rate.
- ❑ In the Philippines, 33,000 people had access to micro-enterprise services, two times the target.
- ❑ About 35,000 new jobs were created through micro-credit loans in Egypt.
- ❑ In Romania, 1,714 jobs were created in through support of micro-credit.
- ❑ Macedonia saw the number of clients accessing micro-credit opportunities increase to 1,763 clients in 2000, from 789 in 1999.
- ❑ Micro-, small, and medium enterprises provided 3,219 full-time jobs in Armenia.
- ❑ Support for micro-credit loans in South Africa created 4,000 new employment opportunities.
- ❑ In Madagascar, 570,000 clients had access to micro-credit loans (48 percent of borrowers were women).
- ❑ In 2000, 31,000 clients in Kenya received micro-credit loans and 16 credit unions were assisted.
- ❑ As a result of access to micro-credit interventions, 27,483 farm households in Mozambique were involved in rural group enterprises in 2000.
- ❑ Micro-finance institutions in Honduras were able to provide \$28.6 million in loans to about 93,544 clients, 79 percent of whom were women.

#### 4.4 ID/OD Interventions to Strengthen Service-Delivery Capacities

ID/OD training and technical assistance strengthened sectoral capacities to improve service delivery. A few examples include:

- ❑ Support to local governments in Macedonia strengthened their capacities to improve channels for popular input into service delivery, and to become a more constituency-centered service provider.
- ❑ Support to South Africa's Ministries of Health, Education, Justice, Housing, and Public Services strengthened their capacities to improve public services.
- ❑ Support to NGOs and private sector resulted in increased capacities to provide health care services, particularly in HIV/AIDS and family health across various countries.



## 4.5 ID/OD Interventions—Regional Distribution

### 4.5.1 Capacity Building—Governance

To provide a geographic perspective on the Agency’s strengthening activities, the following section examines the distribution of types of capacity being built under USAID’s goals by region.

As noted earlier, the majority of ID/OD intermediate results—42 percent—are governance capacities. Governance, in this analysis, includes supporting policy and structural reform; helping draft laws, regulations, and policies; strengthening constituencies’ capacities for macro-level advocacy; strengthening leadership at the policy level; and strengthening a nation’s decentralization processes.

By region, 29 percent of governance capacity building was undertaken in Sub-Saharan Africa, 16 percent in Asia and the Near East, 25 percent in Europe and Eurasia, and 30 percent in Latin America and the Caribbean. Across all regions, ID/OD capacity building for governance focused on strengthening government leadership (e.g., parliaments and legislatures), policy reform (in the environment, energy, health, and food security), and NGO policy and constituency participation and advocacy. Examples of ID/OD interventions designed to build capacity for effective governance are discussed, by region, below.

#### *Sub-Saharan Africa*

The majority of ID/OD support for governance capacity in sub-Saharan Africa occurred in Mozambique, where 19 ID/OD intermediate results addressed governance through impacts on constituencies, civil participation, and sectoral policy reform. Examples of efforts to strengthen governance across Sub-Saharan Africa include, but are not limited to, the following activities:

- ❑ Strengthening leadership (e.g., strengthening the capacities of Parliamentarians’ and Ministers’ knowledge of policy issues) in the Democratic Republic of the Congo, Eritrea, Namibia, Rwanda, and Uganda;
- ❑ Constituency building in Ethiopia, Ghana, Kenya, Malawi, Mali, Mozambique, and Somalia; strengthening the policy environment in Eritrea (across sectors), Ethiopia (HIV),

Guinea (local government), Kenya (agriculture), Madagascar (health), Malawi (health, education, and environment), and Tanzania (health); and

- ❑ Developing strategic partnerships for improved governance in Ghana (West Africa Gas Pipeline—providing cost-effective regional participation in management), Ghana (the QUIPS program in education—strategic partnerships among parents, schools, and communities resulted in successful implementation of national education reform), Sudan (civilian rule was further consolidated in stable opposition-controlled areas with the establishment of civil society-civil authority partnerships), and Tanzania. Strengthening partnerships between the Government of Tanzania and its key partners in the NGO sector led to critical policy reform activities, resulting in more effective anti-poaching activities and improved park road maintenance.

### *Asia and the Near East*

Examples of strengthening capacity for governance in Asia and the Near East include:

- ❑ Strengthening the policy environment in Bangladesh (health) and Indonesia (banking sector);
- ❑ Supporting decentralization in Morocco;
- ❑ Strengthening (through constituency building) NGO participation in local bodies and institutionalizing participatory development tools in 46 of the Philippines' 75 provinces.
- ❑ Strengthening leadership in Mongolia (Parliament), West Bank/Gaza; and
- ❑ Strengthening strategic partnerships in Egypt.

### *Europe and Eurasia*

In Europe and Eurasia, strengthening capacity for governance includes the following examples:

- ❑ Strengthening the policy environment in Bulgaria (media), Georgia (legal and judiciary), and the Ukraine (fiscal decentralization);
- ❑ Developing strategic partnerships in Georgia; and
- ❑ Supporting constituency building in Armenia, Bulgaria, Georgia, and the Ukraine.

## *Latin America and the Caribbean*

Strengthening capacity for governance in Latin America and the Caribbean is exemplified by:

- ❑ Supporting policy reform in Guatemala (gender, natural resource management, fiscal, criminal justice), Bolivia (decentralization), Dominican Republic (legal, environment) Ecuador (legal, judiciary), Guyana (legal, elections, decentralization), Honduras, and Jamaica (health, environment), Nicaragua (judicial codes), Panama (criminal justice, ecotourism), Paraguay (elections, judiciary, environment, decentralization), and Peru (health, girls' education, human rights);
- ❑ Developing strategic partnerships in Guatemala (natural resource management), Panama, Paraguay, and Haiti;
- ❑ Strengthening countries' mission and goals in Bolivia (transparency) and Ecuador (anti-corruption); and
- ❑ Strengthening constituencies and civil society participation in Guatemala, Bolivia, Ecuador, Haiti, Guyana, and Honduras.

### 4.5.2 Capacity Building—Private Sector Policy Environment

To understand governance capacity as a necessary ingredient in private-sector policy development, the following quote provides some context:

Governance includes the state, but transcends it by taking in the private sector and civil society. All three are critical for sustaining human development. The state creates a conducive political and legal environment. The private sector generates jobs and income. And civil society facilitates political and social interaction - mobilising groups to participate in economic, social and political activities. Because each has weaknesses and strengths, a major objective of our support for good governance is to promote constructive interaction among all three. (UNDP 1997, 1).

Governance capacity for private sector growth also encompasses procedural and substantive elements in the

...management of economic and financial matters. Countries need to establish relationships between the state,

the private sector and civil society and develop frameworks that provide incentives for broadly based and sustainable growth. Crucial elements for sustainable human development include macroeconomic policies, management of the external sector (trade, aid, investment and debt), market regulation and privatisation, social safety nets and resource management. Sound policies and practices in economic and financial management will contribute significantly to an enabling environment for sustainable human development. (UNDP 1997, 4 )

In this analysis, however, private-sector policy capacity building is addressed separately because private-sector policy reform is the foundation for all other private-sector activities. Data underlying this analysis show that capacity-building activities that contributed to an enabling environment for private sector and economic growth represent 18 percent of all intermediate results worldwide. These activities targeted government policy and sectoral reform related to the private sector.

Sub-Saharan Africa accounted for 39 percent of ID/OD intermediate results in this category; 30 percent were in Asia and the Near East; 25 percent in Europe and Eurasia; and 6 percent in Latin America and the Caribbean. Activities included market reforms, restructuring and removing bureaucratic obstructions to private-sector growth.

#### 4.5.3 Capacity Building—Sustainability

Although only 10 percent of the ID/OD intermediate results fell under sustainability in the analysis (except for emergency relief support), sustainability of all development support is an implicit objective of USAID's development assistance. Drawing from a current UNDP evaluation report, capacity building and national ownership, go hand-in-hand in leading to sustainability. The UNDP report also states that "the combination of partnership, ownership and capacity building, while carrying potential for tension, lies at the heart of efforts to promote sustainability" (UNDP 2000, 19).

For the present analysis, however, support under this category discusses the impact of inputs directly related to sustaining programs and processes, or securing a program's resource base by funding supplies (e.g., condoms, vaccines, and educational supplies). Based on this definition, 66 sustainability ID/OD intermediate results were distributed across the four regions as follows: Sub-Saharan Africa,

26 interventions, or 39 percent; Latin American and the Caribbean, 31 interventions, or 47 percent; and the remaining 14 percent in Asia and the Near East and Europe and Eurasia.

#### 4.5.4 Capacity Building—Strengthened Management Capacities

Capacity-building interventions that focused directly on strengthening the management skills of leaders and managers represented 8 percent of the intermediate results. Note, however, that strengthening of management capacities is an indirect result across a large percentage of USAID support activities. This section, however, addresses those interventions that explicitly indicate strengthening management capacities. Support for this category included, but is not limited to, strengthening general management capacities (e.g., financial management, financial procedures, organizational restructuring, information management, reporting, and monitoring processes). By region, 52 percent of management strengthening support was provided in Sub-Saharan Africa, 25 percent in Asia and the Near East, 10 percent in Europe and Eurasia, and 13 percent in Latin America and the Caribbean.

#### 4.5.5 Capacity Building—Strengthened Service Delivery Capacities

Strengthened service delivery captured 15 percent of all ID/OD intermediate results. The majority of activities resulted in strengthened government capacities in various sectors to deliver services. This category also includes strengthened capacities of constituencies for advocacy or to deliver services, (e.g., strengthened local NGO sector to deliver private health services). Forty-five percent of the intermediate results in this category were in Sub-Saharan Africa, 24 percent in Asia and Near East Region, 11 percent in Europe and Eurasia, and 19 percent in Latin America and the Caribbean.

#### 4.5.6 Capacity Building—Private-Sector-Led Growth

USAID's institutional-strengthening support for private-sector-led growth is a component of a significant number of intermediate results worldwide. For example, many intermediate results related to strengthening NGOs' capacities to provide private-sector financial or health services are included in the service delivery capacity-building section, rather than the private-sector growth capacity area.





# Strengths and Weaknesses of USAID ID/OD Interventions

## 5.1 Areas of Strength

From an extensive review of FY 2000 data derived from the FY 2003 R4 reports, USAID's major strengths appear to be in linking downstream, micro-level interventions with upstream, macro-level activities. These activities encompass (1) building national ownership and sustainability through strengthening CSOs and NGOs and (2) developing strategic partnerships to multiply the impact of USAID's investments in development. Examples of these strengths in selected countries were noted across regions and are presented in the discussion below.

### 5.1.1 Linking Downstream and Upstream Activities for Sustainability

USAID has achieved significant results in linking micro-level interventions with macro-level policy reform and innovative changes. For example, USAID/Armenia is promoting macro-level policy and institutional changes while providing credit, technological assistance, and training to selected sectors and firms. And with USAID/Bulgaria's ID/OD assistance to Bulgaria's micro-credit sector, micro-financing appears to be setting an example in the traditional financial sector, with commercial banks introducing micro-lending as part of their services.

Assistance to the micro-credit sector is also evident in Macedonia in efforts to enact policy reform through a strengthened legal and accounting framework. In yet another example, USAID/Romania's ID/OD support of a credit union program resulted in the introduction of financial control mechanisms in 24 credit unions, serving 104,479 members throughout Romania.

USAID's ID/OD support to micro-enterprise activities successfully exceeded targets in countries in every region, as reported in FY 2000 data. ID/OD activities sometimes increased awareness at the government policy level and in the formal banking sector of the reliability and profitability of micro-credit strategies, resulting in sustainable changes and reform at the national



level. Thanks to USAID's support in strengthening the capacities of micro-credit institutions, success stories of expanding businesses abound, as the following anecdotes demonstrate.

- ❑ In Egypt, 35,000 new jobs were created, as targets were met for increasing capital investment in private enterprises for micro-credit and funding for small and medium enterprises.
- ❑ In Romania, 1,714 jobs were created—targets for increasing capital investment in private enterprises for both micro-credit and funding for SMEs, thus creating new jobs.
- ❑ In Ecuador, 54,000 poor (mostly female) small entrepreneurs were reached through micro-enterprise loans.
- ❑ In Bolivia, institutional strengthening of micro-finance institutions enabled them to adapt to market saturation and withstand two years of minimal national economic growth; rural income in regions receiving assistance increased from \$950 in 1999 to \$1,145 in FY 2000.
- ❑ In Jamaica, 4,248 loans were disbursed: 3,235 to women and 1,023 to men.

### 5.1.2 Achieving Multiplier Effects through National Ownership

Several USAID Operating Units have successfully mobilized civic participation in issues related to governance, health, education, and the environment. As a result, a critical mass of citizens and CSOs have supported, managed, and sustained USAID development interventions.

For example, six Palestinian civic groups, strengthened through USAID support, are delivering a vital core of services, including civic education, leadership training, and advocacy forums. Two of these organizations target women's issues. Multiplier effects were achieved in training government ombudsmen, health providers, and others, who in turn trained large numbers of the population. In Columbia, for instance, ombudsmen trained under USAID support then trained 1,700 community leaders.

Strengthening local NGOs and civil societies to participate in planning and managing conservation activities in biodiversity areas produced major accomplishments in the Philippines, Paraguay, Ecuador, Tanzania, and Malawi. In Ghana, strengthening civil society in school planning activities significantly increased commitment from parents and local communities, with multiplier effects achieved through their school volunteer work and assistance in identifying

financial resources for school needs. Additionally, training of lead service providers in Ghana resulted in their capacity to train an additional 1,000 front-line health workers in family planning and family health services.

### 5.1.3 Strengthening Support for Strategic Partnerships

USAID's strengthening support for strategic partnerships yielded major achievements, particularly in leveraging funds and regional cooperation. For example, USAID/Madagascar's partnership with local government and CSOs enabled the Mission to leverage funds, including \$12 million from the World Bank for reproductive health and new Government of Madagascar HIV/AIDS interventions and a \$1-million, four-year grant from the Bill & Melinda Gates Foundation to Population Services International for improving reproductive health.

USAID/Ghana's support of strategic partnerships in Ghana resulted in coordination of land management and diverse natural resource management practices among 40 partners in the public, donor community, NGO, and private sectors. The Mission's support also facilitated development of a regional partnership, involving four neighboring countries, to manage the West Africa Gas Pipeline.

## 5.2 Areas of Weakness

Areas of strength frequently point to areas where increased involvement is needed. For example, although evidence exists of micro-level activities, such as support to micro-lending, contributing to sustainable upstream activities, these interventions appear to be disconnected from sustainable policy level support. In some cases, Operating Units report interventions in areas where extreme structural or foundation weaknesses are evident, limiting implementation and sustainable capacity development.

Another area of strength has been the development of strategic partnerships across sectors. However, simultaneous involvement of all three sectors in interventions is evident in only 20 percent of ID/OD intermediate results.

Yet another strength—the distribution of ID/OD support among the three sectors—reveals a weakness. The data indicate that 41 percent of ID/OD intermediate results involve the public sector, whereas only 29 percent involve the private for-profit sector. Given the urgent need to mobilize private-sector growth, this difference in involvement appears noteworthy. Of further note, although the

private sector is nascent in many countries, particularly those in Sub-Saharan Africa, the largest involvement of the private sector is found in this region.



# Conclusions and Recommendations

## 6.1 Conclusions

This report examined the variable of ID/OD support within the Results Frameworks of USAID's Operating Units. The following three hypotheses framed the report's analysis:

- ❑ *Hypothesis One*—ID/OD support is systematically programmed in the Results Framework for most Agency Operating Units;
- ❑ *Hypothesis Two*—ID/OD support systematically cross-cuts the Agency's strategic goals in Operating Units' programs; and
- ❑ *Hypothesis Three*—ID/OD support is provided to the public sector, private for-profit sector, and non-profit sector, consistent with program objectives.

Analysis of the data submitted by Operating Units worldwide supported all three hypotheses. Findings for each hypothesis are presented below.

### 6.1.1 ID/OD Support Systematically Programmed in Results Frameworks

ID/OD support is systematically programmed in the Results Framework of USAID's Operating Units in most countries across the Agency's four geographic regions (Sub-Saharan Africa, Asia and the Near East, Europe and Eurasia, and Latin America and the Caribbean).<sup>2</sup> All Operating Units have at least one ID/OD intermediate result under the strategic objectives in their Results Frameworks. Further, the data indicate that several countries have many ID/OD intermediate results under most of their strategic objectives. For example, seven countries in the Latin America and Caribbean Region and five countries in the Sub-Saharan Africa Region have numerous ID/OD intermediate results under all of their strategic objectives.

2. Data were insufficient to include central bureau operating units.

### 6.1.2 ID/OD Support Systematically Cross-Cuts USAID's Strategic Goals

The data indicate that ID/OD support cuts across the Agency's six strategic goals in countries in all four regions. ID/OD support is distributed among the strategic goals as follows: economic development, 26 percent; democracy and governance, 25 percent; human capacity development, 7 percent; population and health, 17 percent; world environment, 15 percent; humanitarian assistance, 4 percent; and multiple goal areas, 6 percent.

### 6.1.3 ID/OD Involvement Distributed Among the Public, Private For-Profit, and Private Non-Profit Sectors

All three sectors are involved in ID/OD, as follows: 41 percent, public sector; 29 percent, the private for-profit sector; and 30 percent, the private non-profit sector. Activities in support of the economic growth and the democracy and governance goals capture the majority of ID/OD involvement in all three sectors. Twenty of the total ID/OD intermediate results in the Agency's four geographic regions simultaneously involved all three sectors in ID/OD interventions.

## 6.2 Recommendations

In summary, the analysis that resulted in this report found positive evidence to support each hypothesis. ID/OD interventions are systematically incorporated into most Operating Units' programs, cross-cut the Agency's strategic goals, and involve all sectors of the economy.

USAID's comparative advantage appears to be in linking micro-level activities to macro-level policy interventions, developing the capacities of CSOs and NGOs to multiply the impact of the Agency's development assistance, and facilitating strategic partnerships to support and augment the foundation of its ID/OD interventions. Despite the significance of these strengths, however, greater use of ID/OD processes and strategies could contribute to the sustainability of development assistance through enhancing national ownership and on-the-ground capacities to sustain the work initiated through USAID assistance.

Although all three economic sectors are significantly involved in ID/OD interventions, a more balanced approach should be explored. The disparity in public sector and private for-profit sector involvement in interventions is of concern. It is imperative that the Agency increase its work with the private for-profit sector, given the critical need for private-sector growth in all regions. Additionally, simultaneous involvement of all three sectors in ID/OD interventions is evident in only 20 percent of ID/OD intermediate results. While the involvement of all three sectors may not be relevant in some activities, opportunities to support tri-sector coalitions in interventions could be explored for cross-sectoral cooperation, national ownership, and sustainability.





# Annex 1.

## Methodology

The scope of work is to conduct a descriptive analysis examining the following hypotheses:

- ❑ Support for institutional and organizational development is systematically programmed in the results framework for the majority of Agency Operating Units;
- ❑ Support for institutional and organizational development systematically cross-cuts Agency goal areas in Operating Units' programs; and
- ❑ Institutional and organizational development is provided to public sector and private for-profit and private non-profit organizations consistent with program objectives.

The study also attempts to determine areas of strength in USAID programming and those in need of improvement. The study is primarily descriptive rather than explanatory in that the purpose is to answer the “what” rather than the “why.”

The study follows the protocol of qualitative research by using multiple sources of data, including the Results Report and Resource Request (R4) reports submitted by the Operating Units, Microsoft Excel spreadsheets containing the data used in the analysis, and descriptive statistics, categorized by region and the strategic goal that ID/OD interventions targeted. Specifically, capacity-building areas, referred to in the study as *institutional and organizational development*, or *ID/OD*, were coded and entered into Microsoft Excel tables, based on the capacity-building codes found in Annex II. These categories of capacity-building areas describe the “what” of Operating Units' ID/OD interventions in support of the Agency's six strategic goals.

Drawing conclusions involved analysis of patterns and emergent themes identified in the data review and resulting clusters (groups of processes that have similar patterns of characteristics). The conclusions drawn benefit from the researcher's use of triangulation, in that they are based upon multiple data sources brought “to bear on a single point...” (Marshall 1989, 146) “in order to show that independent measures of it agree with it, or at least don't contradict it” (Miles and Huberman 1994, 234).



## Annex 2.

### Analysis of TIPS #15

The *TIPS #15* document does not appear to differentiate between the terms *institutional and organizational development* as these terms have been defined in this study. Although many of the instruments described in *TIPS #15* might be useful, particularly at the organizational level, it is difficult for measurement purposes to recommend which instrument might best assess strategic objective indicators based on information available in the R4s. Additionally, *TIPS #15* does not appear to provide measurement tools that apply at the institutional level if that level is an entire system—for example a judicial system, versus an organization or department in an organization.

*TIPS #15* could be enhanced by including measurement systems that apply at the systems level. The document also should operationally define all measures clearly and consistently. Cross-cultural relevance of measurement instruments should also be reexamined. The major drawback of *TIPS #15*, however, is that it does not appear to relate to indicators from the field or the reality of what the fields are measuring. Lacking sufficient measures, then, *TIPS #15* is not particularly helpful in assessing areas of strength or weakness in USAID programming.



# Annex 3.

## Capacity Codes

- Ab ..... Governance, leadership (board, National Assembly, Parliament)
- Ac ..... Governance, mission/goal
- Ad ..... Governance, constituency (including civil society participation)
- Af ..... Governance, legal status, rule of law – change in government system, e.g. from autocratic to democratic
- Ag ..... Governance, advocacy (PVO, CSO, NGO strengthened, strategic partnerships)
- Ah ..... Governance, policy and structural reform
- Ai ..... Governance, decentralization
- Bc ..... Management, organizational structuring, restructuring
- Bd ..... Management, information management, research expertise
- Be ..... Management, general management/financial, operations, admin. procedures
- Bf ..... Management, planning, strategic planning, economic analysis,
- Bg ..... Management, program development
- Bh ..... Management, program reporting
- Bi ..... Management, program monitoring, evaluation
- Cd ..... Human Resources, human resource development
- Ce ..... Human Resources, personnel (procedures, recruitment, remuneration schemes)
- Cf ..... Human Resources, job descriptions/staff roles, work organization, supervisory functions
- Ef ..... Service Delivery, sectoral expertise
- Eg ..... Service Delivery, constituency (greater capacity to serve constituency, or greater capacities of constituents to serve, e.g. NGOs capacities to deliver services)
- Eh ..... Service Delivery, impact assessment (e.g. see Ghana 3.1.3.3)
- Fg ..... External Relations, constituency relations, public relations
- Fh ..... External Relations, inter-NGO collaboration
- Fi ..... External Relations, media
- Gh ..... Sustainability, program or processes (e.g. election processes)
- Gi ..... Sustainability, organizational sustainability
- Gj ..... Sustainability, resource base sustainability
- Hi ..... Private Sector, Income generation

Hj ..... Private Sector, access to markets

Hk ..... Private Sector, SME or micro enterprise growth (numbers and capacities, or to raise volume of lending capacities)

Hm .... Private Sector, policy reform, creating an enabling environment

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